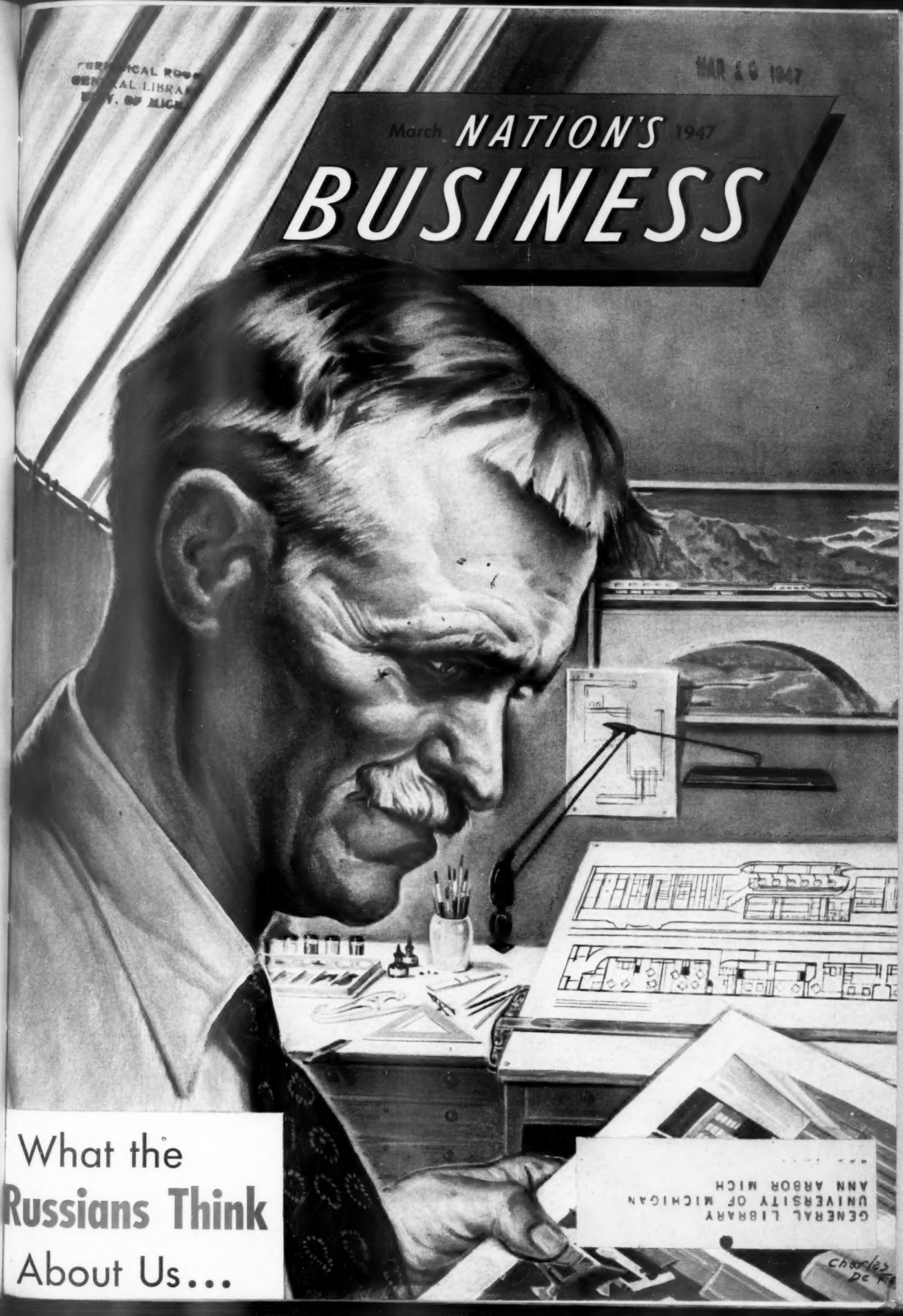
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March 1947

NATION'S BUSINESS



What the Russians Think About Us...

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FORD TRUCKS LAST LONGER!

PROOF!



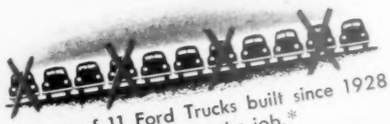
From every 1,000 new trucks registered by each of the five leaders between 1928 and 1941, above are the numbers of trucks surviving at the latest national count of official registration figures.

PROOF!



The average age of all Ford Trucks now in use is 9 years.*

PROOF!



7 out of 11 Ford Trucks built since 1928 are still on the job.*

*Based on the latest available national count of official registration figures at the time this advertisement was prepared.



—and ONLY Ford gives you ALL these long-life features!

Your choice of two great engines—the 100-H.P. V-8 or the 90-H.P. Six • Extra-capacity oil pump, with full pressure oiling • Ignition system weather-proofed • Easy, rolling-contact steering gear • Directed-flow crankcase ventilation • Flight-light 4-ring oil-saving pistons • Full-floating or ¾-floating axles, with shafts bearing no weight-load. More than fifty such vital endurance features add extra value to the new Ford Trucks. More than 100 body-chassis combinations to choose from. Let your Ford Dealer show you.

Ford

MORE FORD TRUCKS IN USE TODAY THAN ANY OTHER MAKE

Nation's Business

LARGEST IN THE BUSINESS FIELD

PUBLISHED BY

CHAMBER OF COMMERCE OF THE UNITED STATES

VOL. 35 — MARCH, 1947 — NO. 3

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CIRCULATION OF THIS ISSUE 566,000

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GENERAL OFFICE—U. S. Chamber Building, *Washington 6*, D. C.

BRANCH OFFICES—*New York 17:* 420 Lexington Ave., MOhawk 4-3450; *Chicago 3:* 38 So. Dearborn St., CENtral 5046; *San Francisco 4:* 333 Pine St., DOuglas 6894; *Cleveland 15:* Hanna Bldg., CHerry 7850; *Detroit 2:* General Motors Bldg., TRinity 1-8989.

As the official magazine of the Chamber of Commerce of the United States this publication carries notices and articles in regard to the Chamber's activities; in all other respects the Chamber cannot be responsible for the contents thereof or for the opinions of writers.

Nation's Business is published on the 30th of each month by the Chamber of Commerce of the U. S. at 1615 H St., N. W., Washington 6, D. C. Subscription price $15 for 3 years. Entered as second-class matter March 20, 1920, at the Post Office at Washington, D. C., additional entry at Greenwich, Conn., under the act of March 3, 1879. Printed in U. S. A.



New industries, relying on modern research facilities, find the up-to-date equipment and competent personnel available in South Carolina increasingly helpful in solving technical problems.

The State's colleges, universities and other institutions, which for years have carried out research projects in textiles, chemicals, agriculture and food processing, are constantly expanding their facilities to cover ceramics, plastics, industrial woods and other products which are being developed.

South Carolina will welcome the opportunity to tell you how these research organizations can serve your particular industry, give you facts about sites available... all the information you need. Write Research, Planning & Development Board, Dept. J, Columbia, S. C.

South Carolina

WHERE RESOURCES AND MARKETS MEET



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it's HOURS
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About Our AUTHORS

A FORMER Communist remarked at lunch the other day that Russian soldiers, arriving in Vienna, mistook workmen's quarters for the homes of wealthy people because they found feather beds in them. This commentary on Communism's gift to the working man is an interesting sidelight on the story **JUNIUS WOOD** tells this month about a controlled press and its uses in keeping a people under control. Although not so intended, the story is a kind of sequel to Burton Heath's article on the free press in last month's issue. Next month Mr. Wood will describe Russia's "Schools of Revolution" where Americans are trained in overthrowing government.

THE article on the RFC reduced one of our elder editors to practically complete confusion. In 1932, when RFC was formed, this editor handled a story about it, written by the man most prominent in its creation: Sen. Frederic C. Walcott, of Connecticut, chairman of the Senate Banking Committee subcommittee which handled the Reconstruction Bill. He was the logical man to tell what RFC was expected to do. Now, the logical man to explain complaints about what it has done is Representative **JESSE P. WOLCOTT**, of Michigan, Chairman of the House Banking and Currency Committee. The coincidence which disturbed our editor need disturb no one else.

THE story on spices grew out of a newspaper clipping and a conversation with **LAWRENCE GALTON** who, it turned out, did not share our uninformed opinion that spices were only useful to put on the top of Christmas eggnog or because salt shakers, like love birds, come in pairs. Somewhere in a career that includes almost everything from sales management to free lance writing, he had learned the importance of spices. Further research and a sense for romance went into the story on page 41.

WHEN we suggested to **MILLARD C. FAUGHT** that "It's Your Story—You Tell It" seemed to us more brutal than need be, he reminded us that the things he was saying needed to be said and that, if they offended any one, the blame was his. At least he is qualified to say them. Now a partner in Young & Faught, Inc., consultants on public relations, he started working his way through grade school when he was 12 years old. In addition to supporting himself, he earned an A.B., M.S. and Ph. D., at Columbia, and wrote a book "The Care and Feeding of Executives." This left him time for courtship and he was married last Christmas Day and while on his honeymoon worked out the last draft of the article we print here.

YOU will be more philosophical about the detour signs that will bob up in front of your new automobile, after having read **RAYY MITTEN'S** story on road construction. Today's detour sign is yesterday's spring-buster and tomorrow's express highway. The prevalence of the first after years of war and the need for the second add up to a $1,000,000,000 job which will affect your cash register on weekdays and your pleasure on Sunday.

WE have now attained whatever eminence attaches to being tapped on the arm with a lorgnette. This small accolade was bestowed upon us by **DORIS FLEESON** who carries a dainty, modern version of the dowager's scimiter, not for prestige but because she can never find her glasses when she needs them—which is seldom. Certainly she doesn't need them to follow what goes on in Washington where, after nearly two years, the pattern of the Truman Administration is revealed. With a reporter's detachment and a woman's intuition, Miss Fleeson introduces you to the men who shape that pattern.

Cover: Before the war few Americans ever wore anything out. They traded in old equipment on new models. Those who couldn't afford the new, bought the used and everybody had almost everything. War's lesson that automobiles, radios, refrigerators would last for years threatened to replace this arrangement with a make-do economy that would reduce markets for the new and leave secondary buyers with nothing at all. Bulwark against that is industrial designers to whom **CHARLES DEFEO** dedicates this month's cover.

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The Executive Book Club Will Help You Build Your Business Future

FACED with the responsibilities of today's rapidly changing world, American businessmen have eagerly responded to the program of the Executive Book Club. They welcome the Club's selection, each month, of an *outstanding, timely and significant book*. This saves valuable time and keeps the Club's members abreast of *current developments, ideas and trends* in the fields of economics, business, politics and government.

Now America's alert businessmen will welcome the Executive Book Club's latest important step. A group of the nation's top-flight executives and professional men, as listed here, are to serve on the Club's

Editorial Advisory Board

These men bring expert guidance to the Club's rapidly growing membership of present and future executives, now busy preparing themselves for *tomorrow's new obligations*. They also provide broad *executive experience, judgment and perspective* which in a successful career are more vital than ever. Here are new business "tools" that no businessman can afford to be without.

As a member of the Club, you will also receive free each month a copy of the Club magazine, "The Executive." Each issue describes fully next month's selection, in addition to scanning the horizon for other important new books, about to be issued, which have collateral value for the Executive Book Club membership.

You are not obligated to take every month's selection. After reading the advance review, should you decide that the forthcoming book will not appeal to you, you can select another book or, by returning the form enclosed, you may omit taking a book for that particular month. You need purchase as few as four books a year.

What It Costs

Occasionally the Club makes a *Double* Selection—*two* books in *one* month—which are offered to you at a *single combined price*—frequently no more than the retail cost of *either one* of the books selected.

These Club selections will average in cost, throughout the year, about $3.00 each. The price of each book will never be more—*and frequently will be less*—than the publisher's regular retail price. (A small charge is added to cover mailing expense.)

Time To Act Now

The Executive Book Club was formed *by* businessmen *for* businessmen. Its sole aim is to help *you*—broaden your thinking—better understand the forces and influences that are now so vital in "shaping things to come." There is *no charge for membership*. And as a special inducement for becoming a member at once, fill out the coupon and indicate *which one of the four books* described below you wish to receive FREE. Because of current production difficulties, the number of memberships available continues to be limited. So *act now* and *mail the coupon*.

FREE BOOKS TO CHOOSE FROM



EXECUTIVE THINKING AND ACTION
By Fred DeArmond

The methods and practices of executive achievement used by top leaders in many fields. It shows how, by the adaptation of these self-same methods and practices, you can develop your executive ability.



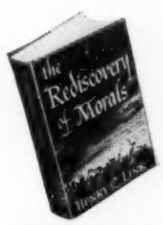
ECONOMICS IN ONE LESSON
By Henry Hazlitt

The popular best-seller that takes the mystery out of economics. Here is a brilliant analysis of economic fallacies which not only have harassed American business but have complicated post-war recovery.



LINCOLN'S INCENTIVE SYSTEM
By James F. Lincoln

Here is the plan of "incentive management" used by The Lincoln Electric Company since 1933: Production per man up 700%; annual take-home wages up 400%; dividends up 300%; prices *down* 60%.



THE REDISCOVERY OF MORALS
By Henry C. Link

A striking indictment of certain aspects of the modern economic and political scene. The author makes a penetrating analysis of the uncertainty and dissatisfaction that are causing so much civil and industrial strife.

THE EXECUTIVE BOOK CLUB, INC., DEPT. 3NB
475 Fifth Avenue, New York 17, N. Y.

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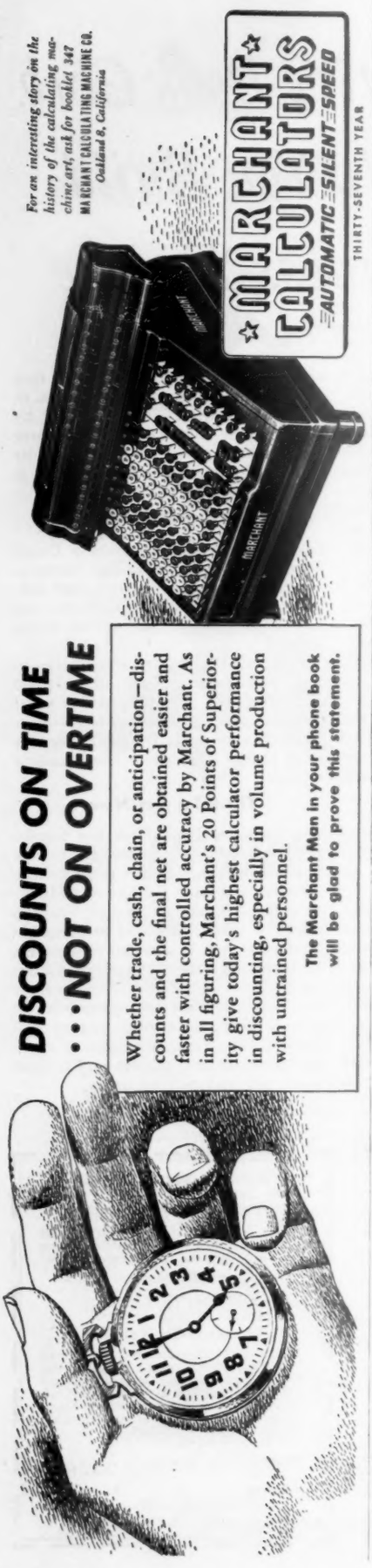
- ☐ Executive Thinking and Action
- ☐ Economics In One Lesson
- ☐ Lincoln's Incentive System
- ☐ The Rediscovery of Morals

Each month I am to receive a *free* copy of "The Executive," which describes the forthcoming selection. It is understood that I may purchase as few as four Club selections during the year, and that I may cancel my membership at any time after I have accepted four selections.

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NB Notebook

Better weather

THIS was the month that was to hear more than the howling of boisterous winds. Charge and countercharge were to shake the air as the "second round" in the labor-management tussle moved through its initial stages to the accompaniment of idle workers and the loss of additional chunks of essential production.

How much better the fact than the fancy! And how welcome for all eyes to read these words in the joint statement of the U. S. Steel Corporation and the United Steelworkers (CIO) which extended their agreement until April 30:

"The proposal was made and accepted because of the desire on the part of both parties to make a contribution to the national welfare."

If national welfare thus becomes a guiding principle in labor-management relations, perhaps we can look for better business weather.

Bigness and USSR

BIG companies have come to recognize the weaknesses in bigness, and the trend to decentralization is well under way in a shuffle of responsibilities and authority. All major phases of management are involved. Ford, for instance, has put its purchasing on a local basis for each of its 13 assembly branches in order to reduce freight hauls, expedite deliveries and cut costs.

"Great corporations," H. A. Hopf & Company, management engineers, explain, "are learning that there is greater strength in many small organizations, each expressing its own peculiar genius, than in one giant corporation."

The Hopf comment adds this significant paragraph: "It is certain that eventually Russia's worship of centralized government will either have to undergo a complete conversion or bring about the downfall of that powerful nation. There must be decentralization in government just as in industry. But there must be a common uniting purpose, a dominant ideal which binds individuals together though they may bring it to expression in a variety of ways."

Prices by poll

SINCE their application to presidential possibilities some 15 years ago, public opinion polls have spread and multiplied to all manner of questions. A new twist was given to this marketing device when the National Retail Dry Goods Association tried to give point to its argument that the public wanted lower prices and improved qualities.

The Association canvass of member stores got right down to brass tacks and quoted specific prices on 65 staple soft goods items. The shirt manufacturer was informed that men wish to pay about $2.50 for a white broadcloth shirt. House dress producers were told that women wanted washable and shrink-proofed garments in this order of popularity: $2.98, $3.98 and $1.98.

Many wholesalers may have scoffed, and called this survey just a bit of retail pressure to get their prices down, but many of them probably decided to take a shot at the price targets.

Polling prices might become a new way of promoting mass consumption and an expanding but steadier economy, it was said.

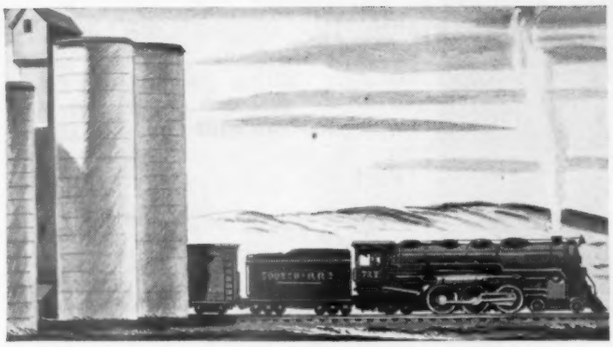
Depreciation

A QUESTION of semantics is bothering cost accountants these days. Should "depreciation," which is associated with the idea of a decline in value, be replaced by the word "amortization," which means paying off a cost?

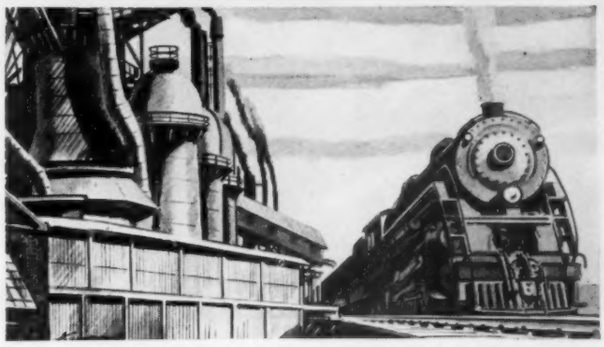
What brings up this matter is

Let's all keep 'em moving!

One-third more freight service with one-fifth fewer freight cars!



In 1946 the American farmer grew record-breaking crops. And American industry—in spite of strikes and shortages—produced mountains of consumer goods. It was the job of the nation's basic transportation—the railroads—to carry most of these crops and goods to market.



It turned out to be a big job: more freight to move more miles each week than the railroads had ever before been asked to transport in peacetime. And all this record-breaking farm produce and industrial production had to be handled with fewer cars. Why?



Today the railroads have fewer cars because production delays have made it impossible for them to get delivery of enough of the new freight cars they have ordered. Meanwhile, the effect of wartime wear and tear on the existing supply of cars is taking its toll.

IN 1929—
2,465,000 freight cars
moved 447 billion ton-miles –

IN 1946—
1,906,000 freight cars
moved 590 billion ton-miles –

In the face of huge demands and too few cars, the railroads are hard at work to get the most out of the cars they have. As compared with the previous peacetime peak (in 1929), *one-fifth fewer cars* are turning out *one-third more ton-miles of transportation service!*



Railroads are moving trains faster — tightening up operations all along the line — and many shippers and receivers of freight are helping get more work out of each freight car—*by prompt unloading and loading six days a week.* That's one way to help meet the situation.



If the average time it takes each car to handle a load can be reduced by just *one* day, the equivalent of 100,000 more cars would be made available. America's industry and its farmers, working in partnership with the railroads, can lick this transportation problem.

ASSOCIATION OF **AMERICAN RAILROADS** WASHINGTON 6, D. C.

IN PARTNERSHIP WITH ALL AMERICA



Sweet MUSIC FOR INDUSTRY

Phonograph disc records are molded with chrome-plated dies. No matter how well virtuosos have been recorded, it takes a perfect mold to transfer this entertainment onto acetate discs.

Because of the shortage of shellac one large company resorted to the use of an asphaltic resin for processing the disc. In the use of this substitute, the die plates became coated with small amounts of the resin, which proved to be extremely difficult to remove.

Carbon tetrachloride had been used for loosening the encrustations on the die plates, and for removing minute stains from the chrome discs. This treatment, while moderately effective, was expensive, slow, because of the high volatility of carbon tetrachloride.

Cities Service engineers recommended the use of Solvent 26. A chrome disc, in far worse condition than the average, was selected for test. With little or no agitation Solvent 26 dissolved the crust and imbedded stains in the etched lines of the chrome. After wiping the surface dry with a clean woolen cloth the disc was restored to perfect condition!

Outstandingly successful, this new method, at no increase in cost, proved to be faster and more effective, and required less cleaning product for the operation than ever before.

Solvent 26 is a patented metal cleaning fluid developed, produced and sold *exclusively* by Cities Service. It has a unique history for solving many of industry's most stubborn problems.

If your plant is situated in a Cities Service marketing territory east of the Rockies, we shall be glad to demonstrate the merits of Solvent 26 on your own equipment. Simply contact your nearest Cities Service office, or mail the coupon below.

Cities Service means Great Service

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SHREVEPORT, LA.

CITIES SERVICE OIL COMPANY
SIXTY WALL TOWER, NEW YORK 5, N. Y., ROOM 29
Please contact me for a demonstration of Solvent 26.

CITIES SERVICE

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TITLE.....

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the problem of what to do accounting-wise about the war plants which were charged off fast under certificates of necessity. The company owns its plant cost free but wonders if it should restore normal depreciation—or rather amortization.

The subject may appear to be theoretical and yet it will have decided bearing on the competitive struggle which is shaping up. Overhead versus no overhead will be argued pro and con and there may be some heated sessions between the sales manager and the cost man.

Wage guarantees

THE guaranteed annual wage is put near the top of some union demands though more as a "talking point" for the time being. As the cost of living recedes, however, and wage boosts become less urgent, the rank and file of labor may be expected to grow more interested in guarantees. Polls have shown that job security actually rates above wages with about 60 per cent of factory labor.

When the issue becomes more pressing it will be discovered that the guaranteed annual wage is a misnomer on several counts. One of the most successful plans is not a guarantee of wages nor is it annual in the sense of covering a full year. It is a guarantee of 48 weeks of employment.

Most plans restrict eligibility and others apply to particular groups of the personnel. Only 43,000 workers, 30,000 of whom are in distribution or the service industries, are covered.

Claims of improved efficiency, once workers are assured of steady income, are borne out in some cases but the fact remains that manufacturers have not rushed in to obtain such benefits by installing guarantee systems.

Cost-plus pricing

"SERIOUSLY obsolete," is the label hung by Joel P. Dean, professor of business economics at the Columbia School of Business, on most pricing of capital goods. The cost-plus method in common usage, he told a marketing conference of the American Management Association, ought to be replaced by research pricing.

"The research approach to pricing is gaining wider acceptance," he said. "It involves analysis of the following pricing factors: Buying actions of customers, long-run effect of different prices upon sales

volume, behavior of future costs, reaction of competitors, entry of potential competition, effects of cyclical fluctuations in national income, and relation of price to sales promotion."

Credit OPA

A GREAT many manufacturers and retailers will have war agencies to thank for helping or ordering them toward a greater knowledge of their business. In industry the records that became necessary threw light on many operations which led to improved efficiency just as war-developed systems of personnel training are speeding up production today.

Sometimes it was trouble over controls which led to a change in methods that proved fruitful. One company tangled with OPA and switched from distribution through dealers to direct selling. It found the direct plan more profitable.

Pipelines

BIG-INCH and Little-Inch, the pipelines built in the war to counter tanker sinkings, drew attention to pipeline transport. It will probably come as a surprise to most people, however, that one-ninth of all the freight tonnage of the country is moved this way. *The Lamp*, a publication of the Standard Oil Company (New Jersey), offers some facts and figures.

Crude oil lines have been developing since way back in 1865. They now total 125,000 miles of pipe through which crude oil is pumped from the fields to the refineries. Large scale use of lines for transporting gasoline, kerosene and fuel oil from refineries to marketing areas, dates back only to 1930. There are 15,000 miles of pipe used for this purpose, thus putting the pipeline total at 140,000 miles.

Pumps located 20 to 40 miles apart keep the crude moving at about 3½ miles an hour in pipe from two to 16 inches in diameter.

Office week cut

OFFICE workers have been somewhat like neglected children in the business household. The big noise was made, and the favors collected, by their fellows in the plants and factories.

Office salaries have moved up, however, under the stress of personnel shortages. The five-day week has made substantial progress. Thus, a National Industrial Conference Board survey of 437

A QUICK, LOW-COST WAY TO GET MORE OPERATING CASH

PERHAPS THE HIGHEST PRICE any business man ever pays for money is the price he pays for lack of it . . . for lack of enough to meet unusual situations or seize opportunities as they arise.

It is the price that echoes in his voice when he says: "Just think of all the money I could have made by *now* . . . *IF* I had just had the use of enough cash *then*."

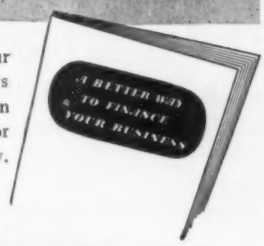
To the end that more manufacturers and wholesalers will have "the use of enough cash" when they need it, we dedicate this book about our liberal, low-cost Commercial Financing Plan.

Alexander E. Duncow

A PAGE FROM A BOOK YOU SHOULD READ

. . . because it tells how little money costs...how much more you can get . . . how long you can use it . . . under our liberal Commercial Financing Plan.

Send for our new booklet, "A Better Way to Finance Your Business" . . . learn why manufacturers and wholesalers have used this plan to a total of more than One Billion Dollars in the past five years. No obligation. Just write or telephone the nearest Commercial Credit office listed below.



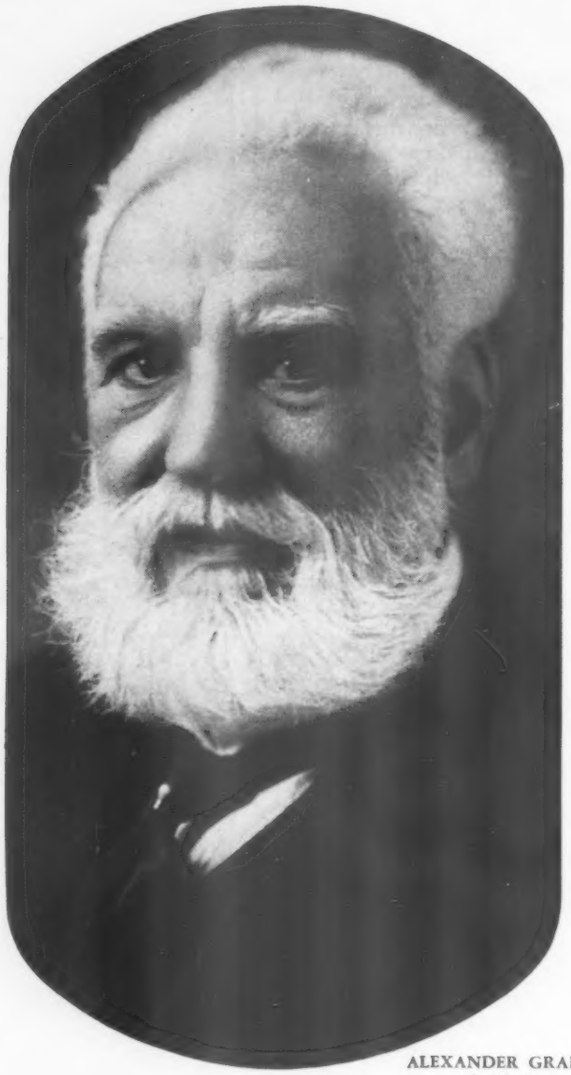
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COMMERCIAL CREDIT COMPANY
Capital and Surplus $80,000,000
BALTIMORE 2, MD.

FINANCING OFFICES IN PRINCIPAL CITIES OF THE UNITED STATES AND CANADA

★ 100th Anniversary of the Birth of Alexander Graham Bell • March 3, 1947 ★

He gave the world a new voice



ALEXANDER GRAHAM BELL
by Moffett, 1918

Alexander Graham Bell was a teacher of the deaf. He was also a trained scientist who made it possible for millions upon millions of people to hear each other by telephone.

The telephone brought something into the world that had not been there before.

For the first time people were able to talk to each other even though separated by long distances.

Horizons broadened. A new industry was born, destined to employ hundreds of thousands of men and women and be of service to every one in the land.

Alexander Graham Bell was a great humanitarian, not only as a teacher of the deaf, but in his vision of the benefits the telephone could bring to mankind.

Bell's vision has come true. It keeps on being an essential part of this nation-wide public service.

BELL TELEPHONE SYSTEM

industrial and commercial companies shows that since V-J Day 80 per cent are operating on a five-day week for office workers as against 32 per cent during the war.

Cash still hides

WHY are people holding onto so much cash money? This is a question that stumps the experts as they get together figures to show that money in circulation outside the banking system attained record levels during the war and still stays up. Starting from $9,600,000,000 in 1941 the total last year had jumped to $27,000,000,000. Through the 1920's the total did not exceed $4,000,000,000.

With all allowances made for expanded business, the Institute of Life Insurance offers a table which reveals that the ratio of such money to gross output has climbed from 4.1 in 1930 to 14.1 for 1946.

Interest rates have their influence, of course, but black market money was supposed to return to the banks once OPA died. It hasn't. Maybe the racketeers still seek to avoid awkward questions. Changing the size of "folding money" has been suggested as a means of rounding up tax delinquents.

Cost reduction

AT THE first exposition of materials handling equipment in Cleveland, there was much to be seen but little to be had, according to distributors seeking new lines.

The industry was afforded a good opportunity, however, to emphasize its place in the cost reduction plans of manufacturers and distributors. The contention of the equipment producers is that 22 per cent of the average plant payroll is paid out for handling materials, and that big economies result as mechanization is applied.

Production efficiency is still the chief goal of industry though attention swings to marketing costs.

Industry in Sweden

COOPERATIVES have been represented as merely a step toward government ownership or socialization as it is now called. The Swedish Institute of Industrial Research, however, presents figures which do not seem to support this contention.

Government owned industries, according to a tabulation by the Institute, employ a mere 3.6 per cent of the workers. The highest percentage, 12.5, is in water power.



For hunting big game or hunting industrial sites...

it pays to have a guide

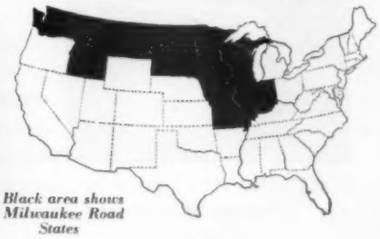
IF you are hunting an industrial site, why handicap yourself by sleuthing around on your own, getting your information second-hand?

The Milwaukee Road's Industrial Development Department can serve businessmen in an expert and confidential capacity. Its function is to develop traffic by locating stable industries on the railroad.

To do this job it employs engineers and analysts who can give accurate, detailed information about markets, labor conditions, taxes, housing, raw materials, shipping and power facilities and other factors. They have plats of hundreds of manufacturing districts and are familiar with opportunities throughout the twelve industrially expanding mid-western and northwestern states served by The Milwaukee Road.

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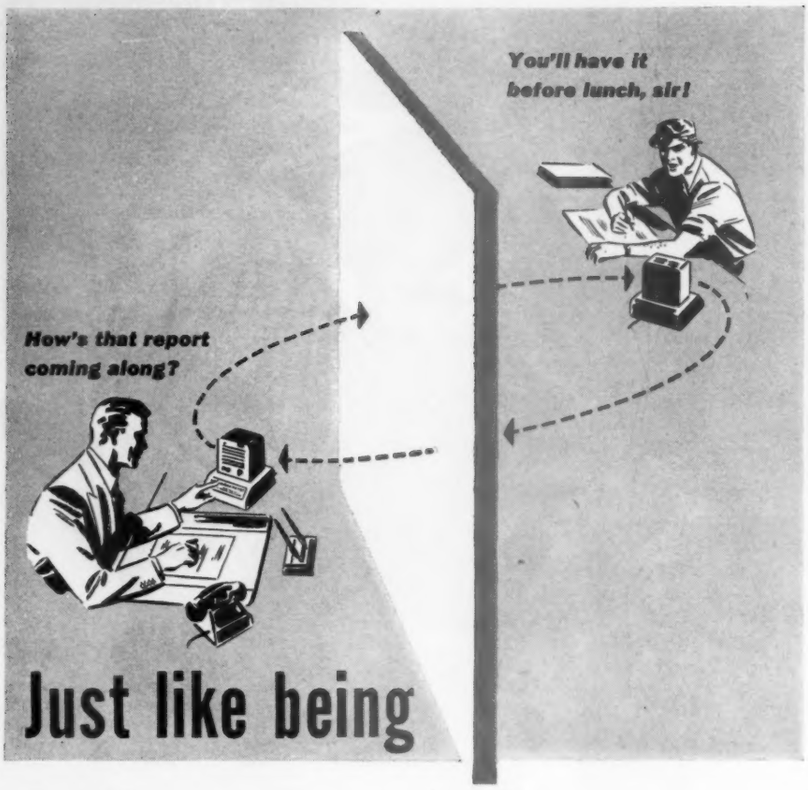




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The Red Cross in Peacetime

FEW AMERICANS probably are aware that during the last year 271 catastrophes descended on this country. Few also may be aware that 136,671 persons were victims of these disasters, or that they had to be assisted at a cost of almost $1,500,000.

Disaster relief is just one of the many Red Cross activities. All of these services cost money each year and the fiscal year 1947-48 is no different from any other. Money you are asked to contribute this month will go to the fulfillment of three major tasks:

1. Continued service to veterans and their families.

2. Continued service to men in Army and Navy hospitals, to those serving with the occupation forces overseas, and to their families.

3. Continued service to the community—disaster and blood donor services, first aid, water safety, accident prevention, nurse's aide, and other health, welfare and educational activities.

The goal set for these services is $60,000,000. While this sum has been set as the goal, $92,000,000 actually will be spent, the difference being taken from reserves.

There are approximately 4,715,000 Red Cross workers in the United States and overseas. Of this number, 4,686,800 are volunteers.

Increased emphasis is being placed this year on aid to Red Cross societies of other nations so that they may resume their peacetime operations. While this task is being pushed abroad, other workers in the United States are going ahead with the regular activities.

MANAGEMENT'S *Washington* LETTER

▶LEST WE FORGET: After all, a buyer's market is our normal way of doing business—not proof of a depression.

▶IS THERE AN INFLATIONARY BOOM just around the corner in place of that widely heralded recession?

The possibility exists. It's something to watch. Sudden change in mass psychology could touch it off.

At present there's a feeling that prices are coming down, that quality will rise. The fury in buying is burning out.

Wait-and-see thinking holds in check an immeasurable part of the nation's buying power.

It's this feeling, this thinking, that is changing a sellers' market to a buyers' market.

What's back of that?

A few farm price breaks made a slight cut in weekly market-basket cost. The rise in the cost of living appeared to be checked.

This tempered union labor's demands which in turn brought promise of steadier production, lowering prices, stabilizing adjustments in the economy.

Now the U. S. is about to increase its contributions to world relief, bound to have some effect on farm prices.

That's basic policy of the Administration, expressed by Secretary of State Marshall. It's the recommendation of former President Herbert Hoover.

The need, as they see it, reaches beyond food and beyond Europe. Without additional aid (after UNRRA) millions in China would starve.

Thus additional requirements are to be added to America's domestic demand.

Heaviest drain will be on lines in which we have (or soon will have) surplus—grains, a few other farm products, textiles.

So the extra requirement could be met without creating scarcity, without widespread effect on the domestic economy, unless—

1. Government ups food prices through heavy relief supply purchases, causing a rise in cost of living.

This would precipitate larger wage demands by labor unions, start in motion the inflationary spiral.

2. Or a buying psychology replaces today's wait-and-see thinking.

If that turn-around occurs—if people start buying in belief that prices are headed up—the bidding will spread to all lines with inflationary result.

Note that we're talking possibilities, not making a prediction.

But don't overlook the importance of mass psychology, and that hairline between wait-and-see and a buying spree.

Demand remains, though checked. Ability to bid prices upward is in the hands of the people.

There is $28,000,000,000 in circulation and $30,000,000,000 in government savings bonds. Net investment in Series E bonds, "the little people's bonds," rose $150,000,000 in January.

Probability is that the Administration will try to regulate the flow of relief buying to insure prosperity this year and next—the election year.

▶SOME ECONOMISTS who watch industry closely are predicting price cuts in consumer durables and other heavy lines shortly after the first quarter ends.

But only if work continues without interruption. Smooth flow of production lines in many plants is boosting worker output, lowering unit costs further than expected, they find.

▶THERE WILL BE MORE TALK than action on the farm price support program. It's a high-priced hot potato. Secretary of Agriculture Anderson is trying to toss it to Congress, which doesn't want it.

Result: Little (if any) change this year. Actually, world relief market tends to support some farm prices.

Not since the administration of President Grant have July and September wheat futures been so high in February as they were last month.

It is generally conceded that price program is failing to accomplish its purpose.

Intention was to insure farmers a fair return during two years of adjustment from war to peacetime markets.

But support prices were set so high they offered no incentive for downward adjustment, production cut-back.

So the support program proves to be a blank check covering continued all-out production and expansion, increasing instead of solving surplus problems.

Anderson tells Congress something (he doesn't say what) should be done. But change now would put the Hill in faith-breaking position.

Farm legislation is as non-partisan as

any but price program takes on political color as GOP Congress and Democratic Administration each try to slip the other responsibility for solving surplus.

Support subsidy, paid only on potatoes last year, probably will be paid this year on potatoes and eggs, possibly on rice and tobacco.

Likely prospect is that Government will maintain grain prices by buying for export.

World relief may enable Administration to turn liability into "asset" by taking foreign notes for surplus grains.

▶INDEPENDENT FARM ECONOMISTS—allowing for mild recession but no depression—estimate this year's cash return at $26,000,000,000.

That indicates greatest farm market in history for lumber, wire, nails, roofing, implements, trucks, autos, home and barn modernization—light and water systems.

Farm income from marketing and subsidy payments during first two months of this year was $4,000,000,000, Commerce Department estimates. That's 30 per cent above same period a year ago.

▶BUILDERS' PERFORMANCE will fall short of optimistic goal of 1,000,000 homes this year.

But a rate of 1,000,000 homes a year may be attained by late summer.

Government estimate of a $22,000,000,000 construction year—a record high—remains unchanged. Independents are shaving their guesses to between 20 and 21 billions.

There's disturbance throughout the construction industry. There will be less of it as the year rolls on.

Retailers of building materials, particularly in lumber, resist high producers' prices, buy only what they can move at once.

Builders still can't get materials—even to finish priority projects authorized under the old Wilson Wyatt program.

Idle jobs, unfinished buildings, tie up their money, add to financing costs.

Shortages still plague the field, nails here, gypsum board there, iron and steel products almost everywhere.

This is a strong factor toward keeping costs high—the bricklayer is inclined to make a dwindling pile of bricks last through a full day's pay. Likewise the carpenters, others.

One key to lower costs is inventories sufficient to supply the job with enough material to give tradesmen incentive to work.

In that direction there is hope. Government statisticians studying the figures see evidence that inventories are beginning to rise.

"It's spotty," said one. "We can't tell yet whether it's really significant.

"Nevertheless it looks like the start of the upturn, for the first time since the war."

▶GREAT BRITAIN'S troubles have a habit of coming home to America to roost.

So you can expect the trouble England is having at home to kick back in the U. S.

Already there's talk around Washington about the possibility of sending Britain another loan to supplement the $3,750,000,000 credit she is drawing on now.

Britain's need almost is a foregone conclusion. Question is, do the American people want to try to finance England's way out of her troubles?

At war's end British and American people were close. Since then each has taken a political turn—in opposite directions, U. S. to the right, Britain to the left.

Now one sees prosperity for itself, the other strain and hardship.

Underneath is a common bond in the solid sentiment of people who have been down the road together.

▶GOVERNOR DEWEY WILL GO to the GOP convention with a lot of New England support. Taft supporters admit that.

But while it takes New England's vote to elect a Republican President, it takes the solid South to nominate him.

And that Taft has, they add.

The Ohio Senator's supporters say, if the convention were to be held today, Taft would win more than 300 votes on the first ballot.

That counts the solid South, the Ohio delegation, a plentiful scattering of delegates from the Middle and Far West, plus a few from New York.

Division of many delegates among favorite sons would give Taft top position on the first ballot, his camp claims.

▶IF YOUR GOODS MOVE in high grade box cars, expect 10 to 15 per cent of your shipments to be delayed this year.

It's the car shortage. Railroads hoped to get 5,000 new freight cars in January. They got 2,500.

Deliveries on cars have been slower than during war.

Expected upturn would add 7,000 new cars to the rails monthly for the remainder of 1947.

Despite their equipment troubles, railroaders say they will deliver be-

tween 85 and 90 per cent of high grade box car goods on time.

Grains, paper, sugar, textiles, finished clothing, light machinery, most other manufactured goods move in high grade cars.

Coal, freight carried on flat cars, will move on time.

Passenger equipment will be adequate for traffic, but will include few of the ultra modern features widely expected. Production delays again.

A freight haul about equal to last year's and passenger traffic somewhat off from 1946 (when demobilization added to the jam) are expected to give the rails a profitable year, with the 17 per cent freight rate boost balancing higher costs.

▶LEAD SHORTAGE may become crucial in auto industry.

It's needed for body solder, bearings, in batteries; in construction industry for solder, pipe, in utility and industrial battery installation as well as auto battery replacements.

Some metals men hold that present price just under 14 cents, double wartime ceiling, will bring in more scrap, increase production, ease shortage by year's end.

Need is estimated at 1,000,000 tons, twice prewar annual use.

▶THERE'S MORE to the nation's natural resources story than Interior Secretary Krug tells.

"War depleted our limited known reserves of copper, lead, zinc...high grade iron ore..." says Krug.

That's good talk to support appropriations for resources inventory. But men in these industries point out that:

War followed a depression in which mines didn't have money for prospecting and development—thus "known" resources were under normal levels at war's start.

During war, miners were concerned with producing ore quickly.

They had neither time nor manpower for development work.

In a period of high prices (we're in one now) exploration, development of new reserves, reaches a peak.

Two steps open to government to accelerate development are to allow tax credit for exploration and relax SEC rules.

Miners charge present SEC rules practically prohibit issuance of mining stock until element of risk is reduced nearly to zero.

When the work is that far along they can borrow from banks, don't need to issue stock, they contend.

▶WITHDRAWAL OF U. S. troops from China brings explosive reaction among some of the top brass in the Pentagon.

There's little accord over the wisdom of the policy set by their former chief of staff, Secretary of State Marshall.

Dissenters contend the move is at high cost to the Chinese Nationalist government in prestige, loss of face, embarrassment.

"Your so-called friends have abandoned you," Communists tell Nationalists and middle-of-the-roaders, according to those who disagree with Marshall policy.

▶MARGIN ALLOWANCE will be increased to 50 per cent by June, according to current rumor.

Significance: In effect money in stock speculators' hands will be doubled compared with marginless days, increased by 50 per cent compared with present limit.

▶IT'S A BUYERS' MARKET in the vacation places.

Hotel and resort operators look without success for a tell-tale pattern in the decline in their business.

Winter resort volume has been considerably below the level of a year ago. Weekend places, both north and south, report business well under last year's.

"So we have no reason to expect the summer business to hold up to last year's level this season," is the glum outlook of a hotel man.

Full employment has hit the industry. That means about 1,000,000 persons on the hotel and resort payrolls, a 20 per cent increase over the wartime average.

Hotel room occupancy has dropped throughout the nation except in New York, Los Angeles and New Orleans.

Occupancy in Washington hotels has been averaging 75 per cent since last June after years of jam-packing.

But it's a situation capable of quick turns. Better make reservations early.

▶BRIEFS: National Industrial Conference Board checked 430 companies in 20 cities, found 80 per cent of office staffs on five-day week....Old hands on "New Republic" aren't too happy with their free-thinking new boss, Henry Wallace....Tip on feeder airline future? Both Boeing and Douglas have abandoned feeder-type models after considerable investment in development....Colleges are finding a few bargains in teachers —OPA economists returning to classrooms at pay far under government level.... Largest cotton mill modernization program in years is under way in this country and abroad, indicating greater capacity, tougher competition ahead.



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that makes *your* interests our first consideration

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TRENDS



OF NATION'S BUSINESS

The State of the Nation

ALL of us know people, not members of the idle rich, not dissolute and not definable as lazy, to whom material prosperity means very little. They are not interested in exercising authority over others, nor in "getting ahead." They are seldom concerned about money, except as necessary to meet current expenses of a modest character. They never argue that anybody owes them a living. What they are after is seldom immediately apparent. But what distinguishes these people, regardless of occupation, is that they have a purpose and it is not what is customarily called success.

The average routinized American, who likes both conformity and certainty, is frequently a little puzzled by the strong individualists of whom we speak. These self-controlled people are sure of themselves, yet they are often almost perversely different from the rest of us. Their opinions are always well expressed, for the most part original, often disturbing, sometimes shocking—yet never easy to confute. In a sense, they seem to drift through life. But as we leave their stimulating company, hurrying off to our next engagement, we sometimes have the feeling that, in drifting, these individualists have developed a philosophy which we lack.

And occasionally, amid the confusion and strain of postwar conditions, comes the impression that we ourselves are caught in a torrent which makes it impossible to direct our own lives as we had hoped. That unhappy thought leads toward the conclusion that our drifter friend may not be the feeble fellow which his curious lack of ambition seems to indicate.

Indeed, if he has somehow managed to drift away from a whirlpool into which we have been sucked, perhaps he is not the one who deserves that slightly contemptuous description.

Individual Decisions

Each of us must decide for himself the satisfactions which mean most from the individual viewpoint and plan accordingly, remembering that, inevitably, a decision *for* something is also a decision *against* something.

But each of us, under the American system, has also a definite responsibility to help decide the satisfactions which our Government should try to supply in behalf of the general welfare. In this duty of citizenship it is always important to remember that for nations, as for individuals, a concentration on some objectives inevitably means a neglect of others.

When Germans turned to the worship of force they really decided for the elevation of a Hitler and a Goebbels; against the reproduction of the Goethe and the Beethoven which a more contemplative Germany had shown itself able to nurture.

A sense of responsibility and helpfulness to mankind, exercised through individual rather than governmental agency, has always been an American characteristic. It was this feeling of mission which led Alexander Hamilton to assert flamboyantly that: "It belongs to us to vindicate the honor of the human race." If this statement



It took welding to put it across

It wasn't any secret. Structural steel designers have always known that to build a better bridge you must eliminate bulk and clutter . . . replace dead weight with load-carrying weight.

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had validity during the infancy of the Republic it has far more meaning now, when our material power is supreme and when the domestic issue uppermost before us is the number of billions of dollars which we shall raise for the expenses of federal Government during the next fiscal year.

Taxation is the device whereby government exacts from all of us the wherewithal to carry out its policies. So the period during which our elected representatives are deciding upon governmental needs for the year ahead is also the most appropriate period for public examination of the policies which will require the revenue requested.

It is a curious, and disturbing, fact that there is so little policy discussion in connection with the budget. For the decision to spend our money on atomic bombs means, as illustration, that we have less to put into the collection plate of our church. A decision for is also a decision against.

There is, certainly, widespread argument over the desirable size of the budget. Some have been saying that the $37,500,000,000 requested by the President is not really excessive, considering the size of the national income and the amounts necessitated by obligations already assumed.

Others argue that the figures presented show no real disposition to economize, and claim that billions could be cut from the budget without injury to a single essential government service. But this effort to locate the frontier between economy and extravagance obscures the primary question: "For what purpose is all this money, whether it be four or 40 billions, really wanted?"

That it is time to raise the question in this form is indicated by the increase in federal tax collections during a single generation. In the fiscal year 1915-16, during which we were moving toward participation in World War I, the Treasury receipts totaled a little under $780,000,000. During the fiscal year 1945-46, during which we emerged from World War II, these receipts amounted to $44,239,000,000. Making all due allowance for a larger population and a smaller dollar, this almost sixtyfold multiplication, in federal expenditure alone, is appalling.

Nouveau Riche America

There have been individuals, though not so many of them in recent years, whose expenditure has leaped up in similar proportion in the course of a single generation. But such men, making ostentatious display an end in itself, have generally realized, before the end, that accumulation is also dissipation. In Whittier's words:

> "Let the million-dollared ride!
> Barefoot, trudging at his side,
> Thou hast more than he can buy
> In the reach of ear and eye, —
> Outward sunshine, inward joy:
> Blessings on thee, barefoot boy!"

The barefoot boy, though he had plenty of humdrum chores to do, had much in common with those drifter friends who make us slightly uneasy. For a few glorious years he tasted full-flavor, and indulged full-bodied, that pursuit of happiness which the Declaration of Independence calls an "unalienable right."



Paradoxically, however, nothing has proved easier for the individual American than to alienate for himself this right which he proudly claims to be unalienable. Today we are an anxious rather than a happy people. Collectively we are more anxious, and less happy, than when the Government was spending in a year less than it today disburses in a week.

During the war we learned that much sacrifice is not properly so defined. Indeed, gas rationing taught us that, instead of pursuing happiness amid the bright lights, we can often find it at home, concealed in a good book, a congenial hobby, or just plain family companionship.

Achieving Balanced Living

Now that most material wants can again be satisfied, many Americans are indicating, by husbanding both their material and their spiritual resources, that the wartime lessons are remembered. This may well mean that we are beginning to develop a balanced, and therefore a more stable, economy. And in such an economy the alternative to drifting would not be those self-defeating gyrations which push blood pressure to the danger point. We might achieve—or perhaps recapture—the golden mean of balanced living.

Such an objective, for which it is no longer necessary to apologize, demands individual self-control, and something more. It also demands really democratic control by individuals of a national government which, as it constantly assumes new functions, may eventually force a pace beyond our collective capacity to sustain.

As there is a limit to what the individual can accomplish without taxing his energies too greatly, so there is a limit to what a government can accomplish without taxing its citizens too heavily. That is why it is disturbing that so few people inquire as to the underlying purpose of a federal peacetime budget of $37,500,000,000.

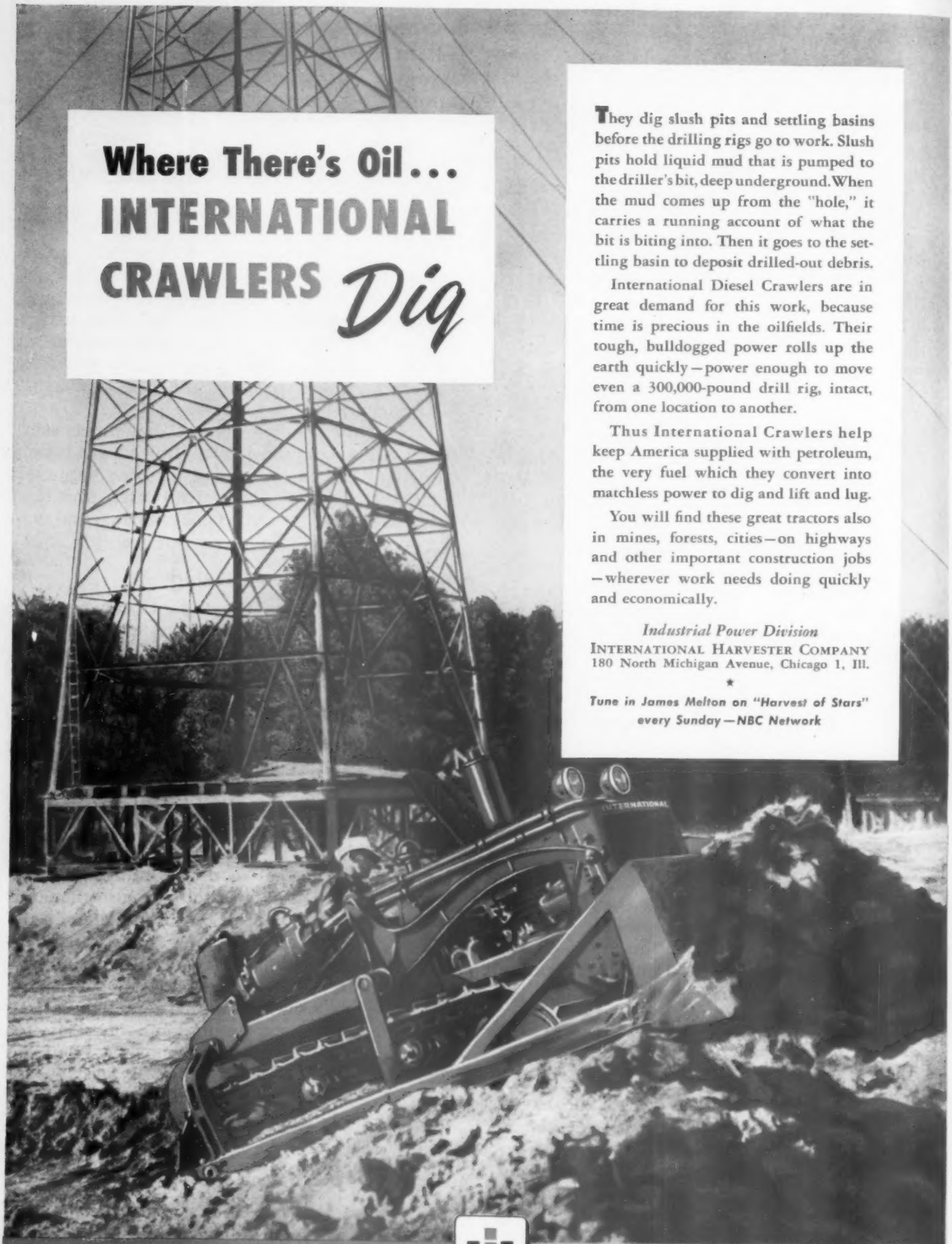
As Chaucer wrote in the "Canterbury Tales":

> "Who so mochel wol embrace,
> Litel therof he shal distreyne."

In those old English days the verb distrain had a somewhat different meaning. It signified to have and to hold. The wording and the spelling used by Chaucer are outmoded. But the value of the thought remains permanent—and pertinent.

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INTERNATIONAL *Industrial Power*

The Month's Business Highlights



THIS is the golden age of merchandising. No period in the long history of distribution approximates the activity that has characterized the past nine months. Turnover has averaged close to $9,000,000,000 a month. Predictions that Christmas buying would be less went awry. December established an all-time sales high in physical volume as well as in dollar value. Then the slump was expected in the first quarter. It has not materialized. Nothing in sight indicates any material letdown in buying.

Some fundamental changes are beginning to show up. More consumers' dollars are being shifted to the purchase of durable goods. Sales of many durable items have tripled. Demand is for quality and variety. Stocks of ersatz goods are gathering dust. Both quality and variety have been forthcoming. A sellers' market gradually is shifting over to a buyers' market. Price reductions have been substantial and on a broad front. More men's clothing is available. Women, however, continue to spend twice as much for wardrobes as do men. Lower prices have been an important factor behind the unexpectedly large volume of business in the first quarter. Employment went to a point higher than the war peak. The draw-down on savings is increasing. The ratio of savings is down to the prewar level. There has been a great upsweep in the amount of credit extended consumers. A record was established for that type of transaction in 1941. It is now being exceeded.

Fears of Bust Fade

Economists who were sure there would be a recession this year are revising their estimates. Need for durable goods is so great that threat of a downturn in business probably would not retard buying. The volume of this business is great. Automobile production is near the record monthly average of early 1941, although channeling flat rolled steel stock to the builders of freight cars puts another hurdle in the path of automobile manufacture. Obtaining the 130,000 tons of copper needed every month for motor cars is another tough problem, but the industry is a resourceful one which has a way of overcoming difficulties. Durable goods are moving into the hands of ultimate consumers at from 25 to 75 per cent of the prewar rate. Sales of luxury items turned up when chances dimmed of reducing excise taxes.

There have been warnings that much of last year's retail business was of the non-repeating variety. It is true that a house once furnished takes that family out of the market for a long time, but there are so many new families that requirements promise to stimulate production for many a day. With his wardrobe replenished, a veteran may be out of the market for many months, but there again the clothing demands of a fully employed nation are so large that the influence of the non-repeating factor is overcome. Increasing exports also have a bearing on that situation.

The flow of goods in unprecedented volume through their establishments has not caused department store managers to lose perspective. The combined stocks and orders ratio to sales has been kept at conservative levels. The situation in that regard is far sounder in the first quarter than it was during the height of the war. A hazardous situation that was allowed to exist over many months seems to have been reduced to manageable proportions.

Production Grows, Too

Record-breaking achievements in distribution are being matched on the production side. Building construction promises to be the principal claimant for the spotlight in 1947. Despite shortages of material and of manpower, it is gathering momentum in an impressive way. Just where construction workers are coming from is not explained satisfactorily, but the increase in the total already is great. Figures not yet available may show that the farms are being drained of labor. A drop in agricultural production could result.

Rapid expansion in commercial, industrial and agricultural loans indicates confidence in the future, but the mounting number of business failures and other warnings are not going unheeded. Future risks are being weighed more carefully.

Commodity Credit Corporation policies in handling wool prices are coming in for increasing criticism. Advances in recent months of selling prices when agricultural products generally were declining were not regarded as wise by disinterested authorities.

The situation is complicated by the conflicting policies of two world selling agencies, the CCC and the British Organization. An apparent

The Company that was Frightfully Upset!

(A POEM FOR TIRED BUSINESS MEN)

Mr. Friendly asked, "Why stand on your head?"
And the Board of Directors finally said:

by Mr. Friendly



"Because we're upset and it makes us feel better
To know that we can't get any *upsetter*...
As you can very plainly see
This is the most upset we can be!

"With accidents *up*, morale is nil...
Our production chart is going down hill.

"So we look at the chart while we're upside down
And it looks like production is *going to town!*"

Mr. Friendly said, "An interesting view...
But American Mutual has something for you...
It's our famous I.E. Loss Control*
That will call a halt to your accident roll!



"It cuts accidents down to the minimum
And it helps production start to hum...
There's nothing like it to end worker's fears
It's based on a knowledge of 59 years!"

Well, the Board of Directors leaped to their feet
And they took out a policy pretty toot sweet!
Soon production was high... and morale was up there
And the Board of Directors were walking on air.

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**Accident Prevention based on principles of industrial engineering.*

A M

Your helping hand when trouble comes!



AMERICAN MUTUAL... *the first American liability insurance company*

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objective of the British Organization is to recognize market conditions and the prices of competing fabrics. The CCC announced upward adjustments when reductions seemingly were indicated.

Trends in Congress

On January 17, 1946, when the Federal Reserve issued its 100 per cent margin requirement for stock market transactions, the danger of increased inflation was great. Exactly a year later, on January 17, 1947, the Board reduced the requirement to 75 per cent. Seventy-five per cent was regarded as almost as restrictive as 100 per cent. The 25 per cent credit would not feed much speculation. In fact, operations of the stock market during the past year have set a good example. There has been little speculation. Prices have been low with respect to current earnings.

Some of the members of the Banking and Currency committees do not approve of the Board's action. They feel that there still is too much bank credit outstanding. Attention is called to the rapid rate at which it is increasing. To give it more impetus along lines that have no relation to productive enterprise, they say, is not in the public interest. In itself the change is recognized as being unimportant. Brokers' loans outstanding are not large. There is no reason to expect they will increase greatly. To the cautious legislator, however, the implication is that the Government has yielded to pressure at a time when relaxation in this form helped the speculator at the expense of those engaged in productive enterprise.

• • •

Congress is not likely to enact any measure that will disturb the more harmonious relationships between labor and management. The unreasonableness of John L. Lewis has served a useful purpose. Labor leaders were quick to sense that such tactics aroused a degree of public disapproval with which they could not expect to cope successfully.

Congress is impressed with the proposals of Sumner H. Slichter to end strikes in essential industries. When 20,000,000 votes are involved legislators are inclined to proceed cautiously. The idea seems to have taken hold that it would be wise for the Government to declare an emergency and prohibit strikes when they threaten the public health, safety or general welfare.

There is strong support in both Senate and House for workers under such conditions to have the choice of reaching a settlement themselves with their employers; agreeing on arbitrators, or having the conciliation service select the arbitrators. Under that plan, workers would not be obliged to work, but if they quit they would lose their accrued seniority and pension rights. Such an arrangement appeals on Capitol Hill because it cannot be classed as being punitive yet at the same time it carries with it protection for the public.



One of the arguments raised against the proposal to outlaw the closed shop is that it would be more difficult to obtain more responsibility from unions if only a part of the men in the shop were members.

• • •

Hearings in progress at this writing reveal that some legislators feel that any law precluding nation-wide bargaining would be circumvented by cooperation among the parts into which unions might be split. In addition to evasion, some of the legislators think that action might increase the number of small strikes. Instead of promoting responsibility there is fear that it might have the opposite effect.

• • •

The report of the Senate Small Business Committee on economic concentration is causing almost as much furor as the Commerce Department report on the possibilities of increasing wages without increasing prices. An entirely erroneous impression was given as to the relative relationship in the development of large and small business and as to the mortality among small business concerns. The thinking of Maury Maverick and of the erstwhile Smaller War Plants Corporation seems to have been swallowed hook, line and sinker by the Senate's special committee. Fortunately an accurate study covering much the same ground was made by Federal Reserve economists. The latter report shows that small and medium-sized concerns improved their financial position relatively more than did the large concerns. Liquidation of some small concerns at a good profit was accepted by the Senate report as failures.

• • •

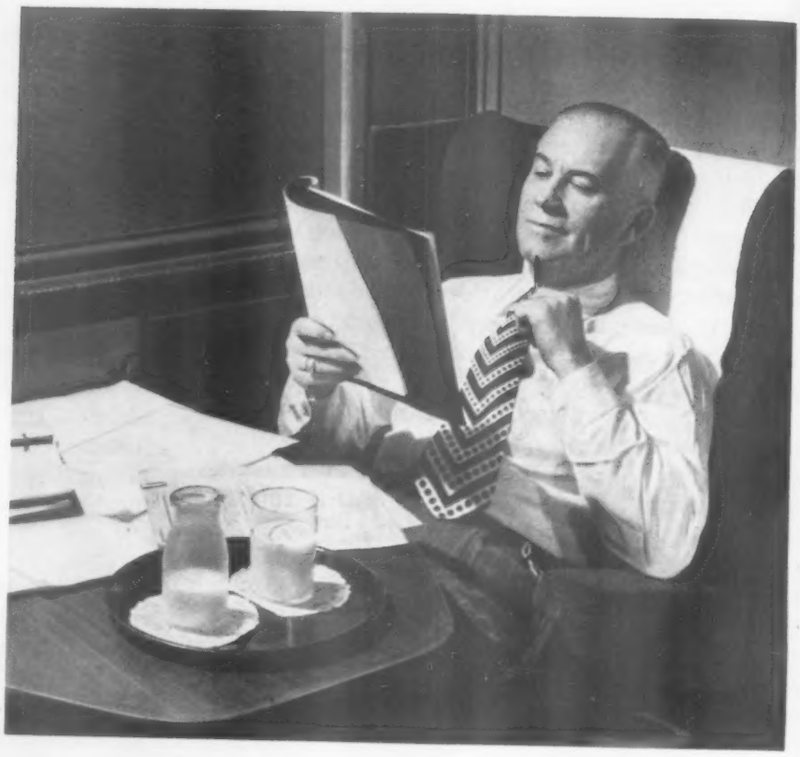
Air accidents have resulted in an unexpected set-back in production in an industry that is being relied upon to provide large employment. Statistics showing a low ratio of deaths to the total number of passengers are poor consolation to the friends of the victims. In the case of Grace Moore millions feel a personal loss. The effect is to build up a prejudice against air travel. It may be passive but it is there. Any failure of air transportation to expand as was expected will have far-reaching effect on industry and the many financial concerns interested.

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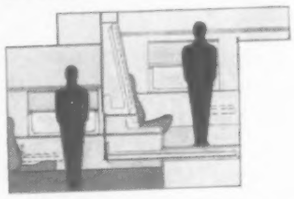


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Washington Scenes



PARTISANSHIP is mounting here. One of these days, probably before the lilacs fade, Washington again will resound with strife between the Republicans and the Democrats. At present, however, it is still possible to say that the watchword is "cooperation."

The Jeremiahs of last autumn—those who predicted "chaos" in the event of a split government—continue to be out on a lonely limb.

It is doubtful if any American election in modern times left so little bitterness as that of November 5. Why this should be so cannot easily be explained. It is a fact, though, that both the winners and the losers appear to be happy; at least, that is so among the top men.

The fortunate circumstance that the nation has been spared from chaos, and is instead getting a spell of statesmanship, should be cause for widespread rejoicing. Still, one hears complaints. Some of the left-wingers, for example, have protested that it is almost impossible to tell the Republicans and Democrats apart. They want the Democrats (including President Truman, presumably) to get in there and fight.

Well, the imagined similarity will disappear eventually; that is certain. Meantime, the historic mile between the White House and the Capitol appears to be an avenue of good faith, no matter from which end you view it. This may not be exactly novel in United States history; after all, there have been 19 other instances when the country had a divided Government. But it is so startlingly different from the last instance—the period of 1931-32—that it makes an onlooker in Washington feel good, and also, perhaps, proud.

Era of Good Feeling

This is a close-up of the scene:

Limousines with low-number license plates, topped by tags marked "Congressional," swing into the White House grounds and draw up in front of the Executive Office. Out step the Big Six. Four of them are the Republican leaders of Congress—husky, keen-eyed Arthur Vandenberg of Michigan, president pro tempore of the Senate; frail Wallace White of Maine, majority leader of the Senate; smiling Joe Martin of Massachusetts, Speaker of the House, and energetic Charles Halleck of Indiana, majority leader of the House. The other two are Democrats—Alben Barkley of Kentucky, now minority leader of the Senate, and former Speaker Sam Rayburn, now minority leader of the House.

The six men stroll through the White House lobby, the Republicans perfectly at ease, and on into the office of Mr. Truman. There is a round of handshaking, some joshing of such matters as Barkley's new mustache, and then a discussion of legislation—legislation of the non-explosive kind. The other kind—taxes, labor policy, and reciprocal trade treaties—is something that must be talked about in the future, if, indeed, it is talked about at all. The meeting breaks up in a friendly atmosphere, with the understanding that Mr. Truman will be glad to see the Big Six at any time.

Cooperation on Both Sides

Hardly a day passes that doesn't see Republicans at the White House. Herbert Hoover, who never once crossed the threshold when Franklin D. Roosevelt was the occupant, spends a half hour with Mr. Truman, and emerges to tell the reporters that he has accepted another assignment. This time he is going to Germany. He will attempt to work out a plan whereby the Germans can grow enough food to feed themselves and thus ease the burden on American taxpayers.

Sen. Alexander Wiley of Wisconsin, new chairman of the Senate Judiciary Committee, drops in to talk about the appointment of federal judges. On the way out, he says that Mr. Truman agrees that a reasonable number of Republicans ought to be appointed to the bench.

The new Republican senator from Missouri, James P. Kem, calls to pay his respects to the President. He gets a friendly reception, this despite the fact that in November he defeated Mr. Truman's friend and political choice, Sen. Frank P. Briggs.

Meantime, in the big gray building down the Avenue, Secretary of the Treasury John W. Snyder is giving a luncheon for a group of Republican lawmakers who have taken over control of the Senate and House appropriations committees. The atmosphere is cordial. Snyder is not very politically-minded, anyway; never has been. He tells the Republican watchdogs that he has only one concern—to safeguard the credit of the Government. He tells them further that all the information and statistical matter that the Treasury



Where are the people in payroll tonight?

They are home, enjoying themselves.

For the problem that used to keep them overtime in the Payroll Department has been solved. You see, the task of figuring and posting costs distribution, and preparing a large payroll, had so swamped this department that it was often still hard at work when the cleaners came.

Could this overtime be ended? The management consulted its local National representative. After detailed study the answer was, "Yes!" A National system was worked out, and National Bookkeeping and National Payroll Machines were installed, substituting swift and accurate machine operations for many of the former time-consuming methods. The capacity of this new National system is so much greater that the payroll is now completed much earlier. Even greater time savings are effected in the distributing and posting of costs. And all overtime is eliminated.

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possesses is at their disposal; that he has instructed the career men in his department to give them every possible assistance.

On the Republican side, Senator Vandenberg has been giving a notable demonstration of cooperation. He has been trying to head off any GOP action that would wreck the principle of tariff reductions through reciprocal trade treaties, and apparently has worked out a compromise that is satisfactory both to Secretary of State George C. Marshall and to the high-tariff people in his own party.

Sen. Robert A. Taft of Ohio, regarded by many as the most influential man on Capitol Hill, would like to work out an agreement with President Truman on labor legislation. He has said so, thereby surprising almost everybody. Would Mr. Truman fall in with Taft's ideas? The only man who can answer is Mr. Truman himself, but his associates believe that he would hesitate to commit himself one way or the other until the new legislation has reached his desk.

The fact that Taft even thought of conferring with Mr. Truman in the matter is significant. It reinforces the belief that the new labor legislation will be "moderate." Of course, that word may be defined in many ways. What Taft would consider moderate might, in the eyes of William Green and Philip Murray, seem "punitive." For that matter, it might seem punitive to President Truman.

The Same Harry Truman

Asked recently if he had noticed any great change in the Chief Executive, a close friend of the President answered with an emphatic "No." He explained that what he meant was that there had been no fundamental change—no change in his general political philosophy.

The friend said that, when Mr. Truman first took over the Presidency, he was very conscious of the Democratic Party's platform promises of 1944. He tried to make good on them, but was stymied by the conservatives in his own party who voted with the Republicans. After the Republicans swept the country on November 5, the friend said, Mr. Truman did some hard thinking and decided to face up to the realities.

"No man was ever more sincere than the President was when he made his Armistice Day appeal for cooperation," the friend continued. "I have been asked how far he will go in meeting the Republicans. The answer is, he will go the limit until something comes along that does violence to his convictions. Then watch out, because he is going to start using that veto."

• • •

Outwardly, the President has been far more gay these past few months than he was in the months before the election. This is not hard to understand. Being human, he enjoys seeing his stock go up again. It started up with the surrender of John L. Lewis. It went up further as a result of Mr. Truman's amiable State of the Union message to Congress. The appointment of Gen. George C. Marshall to be secretary of state also helped.



But what has heartened the President more than anything else is the trend toward industrial peace; that and the signs that the high cost of living is beginning to come down.

Mr. Truman now has nobody in his official family that causes him to feel uneasy. There is no Ickes around, no Wallace; nobody to tell him that he ought to do a thing in such and such a way, because that is the way that Mr. Roosevelt would have done it. Curiously enough, the foolishness of this kind of advice has been exposed most eloquently by the New Dealer who knew Roosevelt better than any of them—Mrs. Frances Perkins, for 12 years secretary of labor and a friend of FDR for 20 years before that.

In the preamble to her book, "The Roosevelt I Knew," Mrs. Perkins says that Roosevelt was "the most complicated man I ever knew." Then she administers a rebuke that would take in people who once had the ear of Mr. Truman:

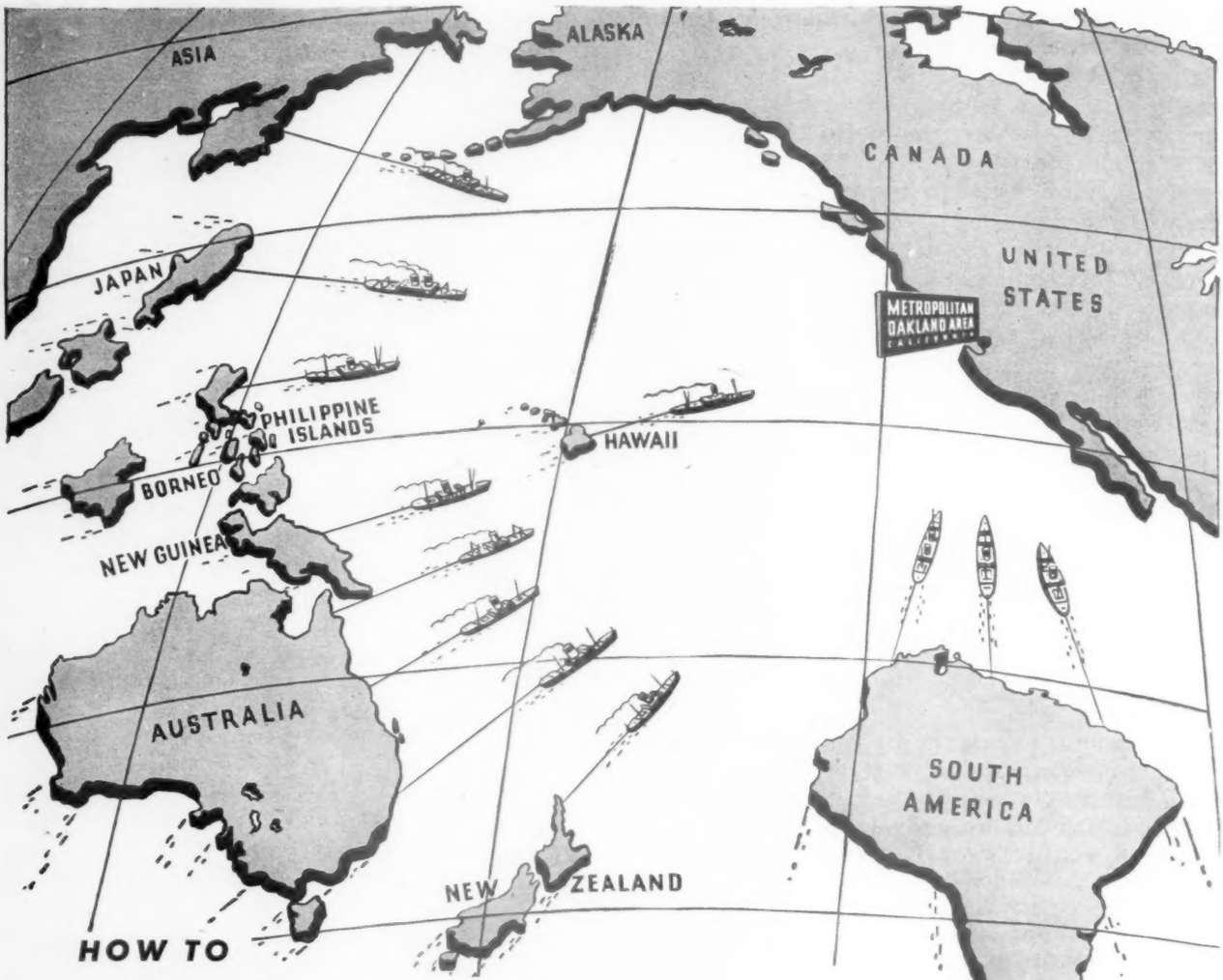
"One cannot predict what Roosevelt would have said or done in the postwar world. It is unfortunate that already there may be growing a rigid 'Roosevelt legend.' Some are expressing quite personal ideas as if they were definitely what Roosevelt wanted, and urging them as a guide for the present and future in political and international action.

"I wonder if they know what he would have done. He was essentially adaptable to new circumstances, always quick to understand the changing needs and hopes of the people and to vary his action to meet changing situations. Methods which he pursued in the past are not necessarily what he would have used today."

• • •

The strategy of the Democratic national organization, looking to '48, is to build up Mr. Truman as a leader in his own right, and not merely a legatee trying to carry on from where Franklin D. Roosevelt left off. This was made plain in Postmaster General Robert E. Hannegan's recent speech in which he boomed Mr. Truman for a full, four-year term. Not once did Hannegan mention the name of Roosevelt, although in the '46 election he went so far as to use phonograph platters to broadcast FDR's voice.

EDWARD T. FOLLIARD



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The U.S. and World Affairs



PATTERNS OF geographical thought, as fixed for most of us in early schooling, ran east and west across the Atlantic and Pacific oceans. It is something of a psychological feat, therefore, to stand the familiar images on end and begin to think north and south across the "air oceans" over the Arctic and Antarctic poles. But that is precisely what we must do to comprehend a variety of recent events and international maneuvers, from the Barents Sea to the South Pole.

Americans must become, as it were, polar-minded.

That our higher echelons have already caught up with the new geography is clear enough from Operation Frigid—the first American military maneuvers in the Arctic—and the ambitious explorations under Admiral Byrd in the Antarctic. It is also evident in the concern shown by the State Department over the Soviet bid for dominion in the Spitzbergen archipelago, directly north of the wedge where Norway, Finland and Russia meet.

The New Strategic Picture

The primacy of air power and the development of long-range guided missiles have turned the Arctic wilderness of ice into a decisive strategic region.

By the same token they have turned the USA and the USSR into close neighbors.

The highway across Canada to Alaska, initiated during the war when surface weapons and strategic ideas still predominated, has since then grown in importance. Alaska itself has become the focal point for military constructions and plans in line with Gen. "Billy" Mitchell's remarkable prevision. The astonishingly large scope of Soviet espionage concentration in Canada exposed in the past year becomes understandable. After all Spitzbergen is only 3,500 air miles from the industrial solar plexus of New York and Pennsylvania and the route runs over Canada.

Publicized Soviet expeditions to the Far North before the war and others without benefit of publicity more recently also acquire new significance. It is now known that Moscow began secretly, in 1944, to put the squeeze on Norway for an equal share in the control of the Spitzbergen area.

The pressure was recently resumed openly and Norway is scarcely in a position to resist unless British and American counterpressure is strong enough. Sovereignty shared by Russia and a weak neighbor would mean, of course, total dominance by the strong partner.

Common sense suggests that American air and naval facilities be extended northward, and that draws Greenland and Iceland into the orbit of this country's interests.

Our expressed readiness to make any American bases on Iceland available to the United Nations—a condition that was overlooked by Moscow in its negotiations with Norway over Spitzbergen—belies the trumped-up charges of aggressive intentions.

Certain fuzzy-minded Americans raised a howl when Washington efforts to obtain leases on Iceland bases were initiated in 1944. They professed alarm over "arousing Russian suspicions." The revelation that Moscow had made secret and more far-reaching bids for similar bases at least a year earlier puts these Americans in an unpleasant position.

It should be obvious now that under the self-righteous cover of attacks on "American imperialism" they were simply doing a propaganda chore for a foreign government.

Fate of Finland

Viewed in this Arctic context, a little country which once had a big drag with American public opinion looms importantly. Finland always held a commanding position in the Baltic region; in the event of a new war it would become, by reason of its geography, a vital base for transpolar offensive and defensive actions. The political status of the nation consequently merits more searching attention than it has been receiving here.

The myth that Finland, unlike less fortunate neighbors of Soviet Russia, is being treated with exemplary kindness has been carefully cultivated since the war's end. The country is played up as a showpiece of the conqueror's generosity, just as Hitler did with Denmark.

There is some truth in this as in all myths. By comparison with Poland or Hungary, the fate of Finland seems enviable. The fact that there has been no actual occupation by Red troops and therefore no looting is in itself a stroke of good fortune. Parliamentary forms have been observed. But, under the surface, Russian control is almost as firm as in other puppet states. There is no room for vagueness on the essential fact that Finland

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GREATER EFFICIENCY! Royal has *more work-saving, time-saving* features than any other typewriter. This is a fact which results in higher production per machine. Call in your Royal representative—*and be shown the proof*—in an actual Royal demonstration!

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is tied rigidly into the Soviet political system. The Finns themselves are too well supervised by the newly created security police to dispute the prettified propaganda about the "correctness" of Russian behavior. The strongest man in the country is the Minister of the Interior who directs the police—and he is a top Communist, Yrjo Leino, son-in-law of the Kuusinen who headed a Quisling regime during the first Soviet invasion of Finland in 1940.

The terror is neither as wide nor as intense as in Yugoslavia or Poland but it is effective in keeping popular criticism at a minimum. Arrests for "protective custody" and other devices have silenced the most western-minded and nationalistic spokesmen.

The fact is that the Communists and their fellow-travelers, though they obtained only a fourth of the legislative seats, dominate the Finnish Government. Moscow's pleasure is stronger than any law. The chief Russian objective clearly is to turn Finland into a military outpost. Its armed forces have been reduced to negligible dimensions and a ruthless purge is eliminating thousands of army officers disposed to resent Soviet intrusions.

Military installations on the Gulf of Finland have been demolished and new ones are being erected at forced speed on the Gulf of Bothnia. A glance at the map shows what this means: defenses *against* Russia are being replaced by defenses *for* Russia. Moscow could take over Finland in 24 hours.

Thus, although the little country is certainly better off than any other nation in the Soviet sphere, its basic subservience to Moscow must not be minimized. For all the differences in the techniques of dominion, Finland is fully integrated with the rest of the new Soviet empire. By tradition and deep preference West European, it has been forced to turn its face eastward and any of its citizens who look back do so at immense risk.

Germany—or Europe?

No one any longer seriously defends the attitudes toward Germany which, perhaps unfairly, have become associated with the Morgenthau Plan label.

Policies that crowded millions of uprooted Germans into a truncated country, then systematically wiped out the country's capacity to feed, clothe and house its enlarged population, are at last recognized as bad morals, bad politics and bad economics.

There is general agreement, at least among the non-Soviet nations, that the great German industrial potential must somehow be exploited for the benefit of the entire continent. Anything less would tend to perpetuate an infectious area of malnutrition, epidemics and explosive despairs in the heart of Europe. Indeed, something like a race in the speed and magnitude of economic restoration seems to have developed among the occupying powers. The Russians, as usual, took the lead by promising to permit industrial output above the Potsdam levels.



That is a solid element of encouragement as the crucial negotiations on the German peace settlement get going in Moscow. Another, belated but perhaps not too late, is the greater clarity in American thinking shown by the address of John Foster Dulles before the National Publishers Association, and particularly by its favorable public acceptance. Dulles, who indicated that his views had the approval of key Republican leaders, was certainly aware of the serious implications of his suggestions.

He proposed, in substance, that we help make German industry—under adequate international controls—the nucleus of a West European revival; and that, if necessary, we do so without Soviet participation or agreement. It is in the latter part that the greatest significance is to be found. In the words of Walter Lippmann, this approach "denies to the Russians the right or the power to veto reconstruction of that great part of Europe which they do not in fact control."

Blocs—Western or Eastern

As was to be expected, Moscow and its mouthpieces in our midst immediately trotted out the familiar bugbear of a "Western bloc." Curiously, Soviet economic aid to nations in its sphere and Soviet promotion of Pan-Slavic and other groups of countries are hailed as statesmanlike by the same people and publications that denounce equivalent undertakings elsewhere as pernicious bloc-building.

Of course, Stalin need only permit the nations in his Eastern bloc to take part freely in an all-European constructive effort to end the danger and the economic monstrosity of a continent divided into hostile halves. Instead of Western and Eastern blocs we would then have a European bloc. Neither *Pravda* nor *PM* can get around the truth that the splitting of Europe was not exactly our doing.

We may expect that the Russians at the Moscow conference will do their utmost to prevent a genuine integration of Europe. They will seek to limit discussion and decisions to Germany, though logic and the hope for a stable peace call for a settlement that is continental and not merely German.

EUGENE LYONS



Overheard at the City Club

MAN IN DARK SUIT: What did you ever do about your employee insurance, Bob?

MAN IN LIGHT SUIT: I finally decided to let *The Travelers* handle all of it for us.



"How come you picked *The Travelers?*"



"They had a map that bowled me over, Ed. It showed me Travelers offices located all over the country. There's an office near every one of our 11 plants. That ought to mean better service than we've ever had before."



"That's what counts. Prompt, friendly handling of claims pays off in employee good will."



"You bet it does. And *The Travelers* ought to know their stuff. My insurance man tells me they handle more than half a million employee claims every year."



"That's a lot of claims. But how about rates?"



"Rates are pretty much what your record makes them. They showed me how lots of firms who take full advantage of *The Travelers* safety engineering and sickness prevention services have earned *substantially lower rates.*"



"That sounds good. Do you think *The Travelers* could do a job for us?"



"It's easy to find out. Those fellows have specialists who sit right down with your Travelers agent or insurance broker and work out exactly the kind of plan you need."

On all forms of Employee Insurance you will be well served by The Travelers

The Travelers Insurance Company, The Travelers Indemnity Company, The Travelers Fire Insurance Company, The Charter Oak Fire Insurance Company, Hartford, Connecticut.

WHAT IVAN IVANOVICH IS TOLD:



IN THE United States there are 1,500,000 war veterans who cannot find work . . .

WORKING PEOPLE in the United States cannot afford to send their children beyond primary schools, and higher education is the privilege of only the rich . . .

AMERICAN EDITORS and writers are financially dependent and feed public opinion in accordance with their masters' orders . . .

THE AVERAGE American's faith in his economic system is thoroughly shaken . . .

THE LONG-promised day of revolution in the United States is near . . .

BASES IN Greenland are intended to facilitate world rule by the United States . . .

MILITARY EXPENSES devour practically the entire budget of the United States . . .

What Russia Says About Us

By JUNIUS B. WOOD

THE "AVERAGE" American is asleep to what is happening in his own country and totally ignorant of the rest of the world. On the fringes of these millions who live in darkness are the "capitalists" and "imperialists" treacherously subjugating other nations into colonies of the United States, and the enlightened "toiling masses" who soon will convert the benighted country to the high ideals of the Soviet Union and the Communist Party.

This is the background that Ivan Ivanovich, Russia's man of the city streets and rolling steppes, has for his mental picture of what is happening in the United States. It is fed to him and to the world, 24 hours a day in all languages, by Red newspapers, radio, columnists and Muscovite tub-thumpers. The portrayals may be grotesque and amazing to anyone in this country, but they fit into a prepared pattern and sound plausible to Ivan Ivanovich.

Whether Ivan swallows all that is fed to him is anybody's guess. The Soviet Union does not bother with such things as public opinion polls. The Kremlin decides what the people want—and a few hours later Ivan knows what he wants from reading the newspapers or listening to the radio.

What Ivan hears about America is mild compared to the lies of Red radios in communist-controlled countries. Koreans are told that American soldiers are murdering workers in South Korea, and blowing cholera germs across the border to kill others in North Korea. In China, the Red radio agitates to expel American troops so the Reds can take over, while the Red radios in Poland and Yugoslavia boast that any national who speaks to an American can be shot as a traitor—something that our State Department shrugs off while continuing to support the bitterly hostile regimes.

Familiar trade names of Soviet nomenclature which every party spieler must memorize help Ivan to understand the lingo. A "democratic" country is one of the dicta-

NO OTHER COUNTRY provides the care with which the Soviet Government surrounds its demobilized warriors . . .

IN THE Pacific, the American forces captured a few scattered, barren islands but Japan was not conquered until the Red Army invaded Manchuria . . .

IN EUROPE, the Red Army did the fighting while Americans and British advanced across France without inconvenience . . .

THE SOVIET PRESS is in daily and hourly contact with the working masses. It is truly a people's press . . .

NOWHERE in the world do women enjoy so many rights as in the Soviet Union . . .

ONLY THE Soviet Union can save Canada, Korea, Turkey, Indonesia, Iceland, Greenland, Iran, the Polar regions and smaller countries from becoming colonies of the United States . . .

A POTENT force in the education of the dozing American is the UN Red delegation.



CHARLES DUNN

torship model of "Our Great Stalin" while all others are "fascist" countries, including the American system of democracy.

By Communist class distinctions, people are divided into "average, masses and enemy classes." The "average" Americans are the majority, the dumb clucks who must be converted. The "masses" are the patriotic and good minority; meaning, in brief, those who follow the Marx-Lenin-Stalin philosophy. The "masses" have triumphed in Russia and in satellite countries with the aid of political police, fast-shooting and exile. They eventually will rule the world as the good always do, to use the vernacular.

At the other extreme are the "class enemies"—the bad people, in the Communist creed. In a world where all humanity is pigeonholed by classes, this enemy has many varieties—"capitalists, monopolists, landlords, isolationists, imperialists" or other "plotters against the masses."

The Ivan Ivanovichs have been told who won the war. In the Pacific, the American Army and Navy captured a few scattered, barren islands but Japan was not conquered until the Red Army invaded Manchuria. The official Soviet war movie shows only Red Army officers signing for the allies, followed by a "cut-in" of the Red flag waving in the breeze from the stern of a ship.

In Europe, the Red Army did the fighting while Americans and British advanced across France without inconvenience. Our War Department film giving credit to all allies, was shown to the diplomatic corps in Finland. A Soviet military attaché, so surprised that he forgot his lessons, turned to an Englishman present.

"Did you actually have such equipment?" he asked. "I always believed that only the Red Army and the Germans had modern weapons."

In his order of the day, Stalin, as supreme commander, gave the Red army, aviation and fleet sole credit for crushing both Germany and Japan.

The Russian masses have not been told about the fighting and losses of other countries, and the higher echelons of government have conveniently forgotten. This loss of memory may explain why three notes from our State Department suggesting a discussion of the $11,000,000,000 of lend-lease equipment turned over to the Soviet Union have not been acknowledged.

"In the United States there are already 1,500,000 veterans of the war who cannot find work," the Red Navy radio tells Ivan. "Demobilized servicemen, especially invalids of the war, from the very first day of their civilian life find

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Look What's in the Temple Now

By JESSE P. WOLCOTT

THE fabulous RFC could be a financial dictator. If it is to be continued, its powers must be rigidly limited



THE TIME has come for Congress to get hold of the Reconstruction Finance Corporation, the most colossal enterprise which any legislative body ever created.

Launched by President Hoover in 1932 as a distress agency to help banks, railroads and insurance companies through the depression, it grew through 14 years until Jesse Jones, its former administrator, could say—and exaggerate only a little—that "RFC has the power to do anything."

Certainly some of the things it has done, and the purposes for which it has done them, demonstrate that—in the hands of an administration that wanted to use it so—RFC could readily control the country's credit system and socialize credit, thus forcing a managed economy upon us.

One of the first steps of the Labor Government in Britain was to nationalize the Bank of England. RFC has been and is potentially more powerful than this bank.

There is a story that when former Mayor LaGuardia of New York needed a loan for the city he whittled down the interest rate considerably by having a well-publicized lunch with Jesse Jones. Bankers got the impression that, if they did not grant the loan on LaGuardia's terms, RFC would.

Whether or not that particular story is apocryphal, RFC has certainly used its powers to control interest rates. Borrowers, dissatisfied with bankers' terms for home or business loans, could turn to RFC, or one of its subsidiaries, which had authority to lend the money for less, thus using the resources of the U. S. Government in competition with the financial institutions which it had been created to help.

Moreover, RFC was, and is, a handy tool for any administration that wishes to spend tax money without congressional approval.

At the time President Roosevelt was making this country the "Arsenal of Democracy" before Pearl Harbor, there was a law prohibiting loans to foreign governments which had not paid their World War I obligations. Congress was in no mood to repeal the law, but the loans were made—through RFC.

Similarly, $50,000,000 was lent to Chiang Kai-shek without congressional authority, and billions were used to finance war plants before Pearl Harbor

when President Roosevelt could not—or at least did not choose to—justify them.

Granted that later events justified those loans, the point is that, with RFC's present powers, an administration could make any loan for any purpose it chose. It could support one country, or one country's political system, at the expense of another country. It could, coming closer home, decide which of two cement plants in a given community might continue to exist by the simple expedient of lending one of them tremendous sums of money at low rates while refusing loans to the other.

With equal facility, the head of RFC can, if he chooses, defeat the plans of the administration that appoints him. This was amply demonstrated in New Deal days when members of Congress who favored the free enterprise system frequently adopted the strategy of acceding to boondoggling proposals, which they could not defeat, and then putting the administration in the conservative hands of Jesse Jones.

A particularly fantastic proposal of this kind was the 1940 plan to buy all Latin America's export goods and throw them into the Atlantic to keep Germany from getting them. The conservatives in Congress felt that they had done well in revising this hysterical scheme into the Export-Import Bank, under RFC administration, with authority to lend up to $500,000,000 to Latin America. A self-governing people should not be governed that way, of course, but the only defense seemed to be to give direction of their affairs to a conservative man.

From these examples it is obvious that RFC provides the machinery for financial dictatorship. The fact that it performed many splendid services in the course of the depression and of the war does not remove this danger or minimize its capacity for incalculable harm, should it fall under the administration of men who are selfish or weak.

Unsnarling a financial tangle

THE question now arises as to what is to be done about it. Does this fabulous agency fit into a free economy unhindered by war or depression and, if so, how? RFC's lending life extends only to June 30. Congress must act before that. What line the action should take is the question which the House Banking and Currency Committee, of which I am chairman, will endeavor to answer.

The first step will be to unsnarl the financial skein that RFC's $16,000,000,000 borrowing power has so badly tangled. Even this will not be easy. Until a few years ago RFC borrowed money from the banks on the guarantee of the Government. In turn, it lent money to other government agencies, and this money did not show up in the Treasury deficit.

It "lent" to the Government which had guaranteed its borrowing up to $3,000,000,000 for relief: $750,000,000 for the Commodity Credit Corporation to bolster farm prices; $500,000,000 for crop loans; $146,000,000 for the Rural Electrification Administration; $625,000,000 for the old Public Works Administration. It still lends to REA.

In addition to these, at one time it owned 13 per cent of the capital stock and debentures of the country's banks. More than 250 banks and trust companies are still in hock to it to the extent of some $190,000,000. Delinquent principal totals some $10,000,000.



At present Uncle Sam can make a loan for any purpose he might choose

RFC was in a position to take over some of the country's leading railroads. More than 20 carriers still owe it about $177,000,000. RFC owned a citrus farm, a dude ranch, a dry cleaning establishment. It financed a barber who needed a barber chair.

Many years ago, in the famous Pujo investigation, Congress showed concern over the power of the Morgan banking house. It was the subject of an attack, in fact, by the New Dealers when they first came into office. But from 1919 to 1932, this institution underwrote only $6,000,000,000 of issues. More than $50,000,000,000 has been loaned or committed by RFC and its subsidiaries in 14 years, $36,000,000,000 of which, however, was for its war activities.

Another important task will be to determine how many component parts the agency really has. Among them are the RFC Mortgage Company, created in 1935, with a capital stock of $25,000,000, to lend money for hotels and apartments; the Federal National Mortgage Association, created in 1938, with capital of $10,000,000, to develop private markets for real estate paper; the Disaster Loan Corporation, to aid flood sufferers.

Another ramification is the U. S. Commercial Company, created to buy strategic materials around the world to keep the enemy from get-

(Continued on page 86)

The Spice of World Trade

By LAWRENCE GALTON



PHOTOS BY PUBLICITY ASSOCIATES



SPICES don't look like much.

Ask any group of people to name the world's most fascinating trade and there'll be any number of answers: steel or stockings, whaling or wire recording, plastics or plumbing.

Spices won't be mentioned; they hardly seem important.

Yet in January, 1942, just a few weeks after Pearl Harbor and seemingly no time to be worrying about cinnamon for apple pie, one of the country's top research organizations, already ladened with vital war projects, made room for one more: to find an imitation cinnamon to replace the supply cut off by war.

In California some months later, when poppyseed imports had stopped, a group of farmers tried to plant that spice. Federal anti-narcotic laws said no—too easy to get opium from raw poppyseed. But it wasn't long before the farmers had state permission to plant 1,000 acres and had the governor and attorney general hard at work arranging for harvesting the crop under State supervision with special federal permission.

Even right now, one spice is heavily, and darkly, in the news. With pepper still short, racketeers are peddling a phony product containing corn starch, salt, cottonseed hulls and just a dash of oil of pepper. Food and Drug Administration sleuths are huffing and puffing on the trail, seizing shipments and trying to discover the "brains" of one of the biggest frauds currently on the loose.

Spices may not look like much and, least of all, like the objects

Some Spicy Suggestions:

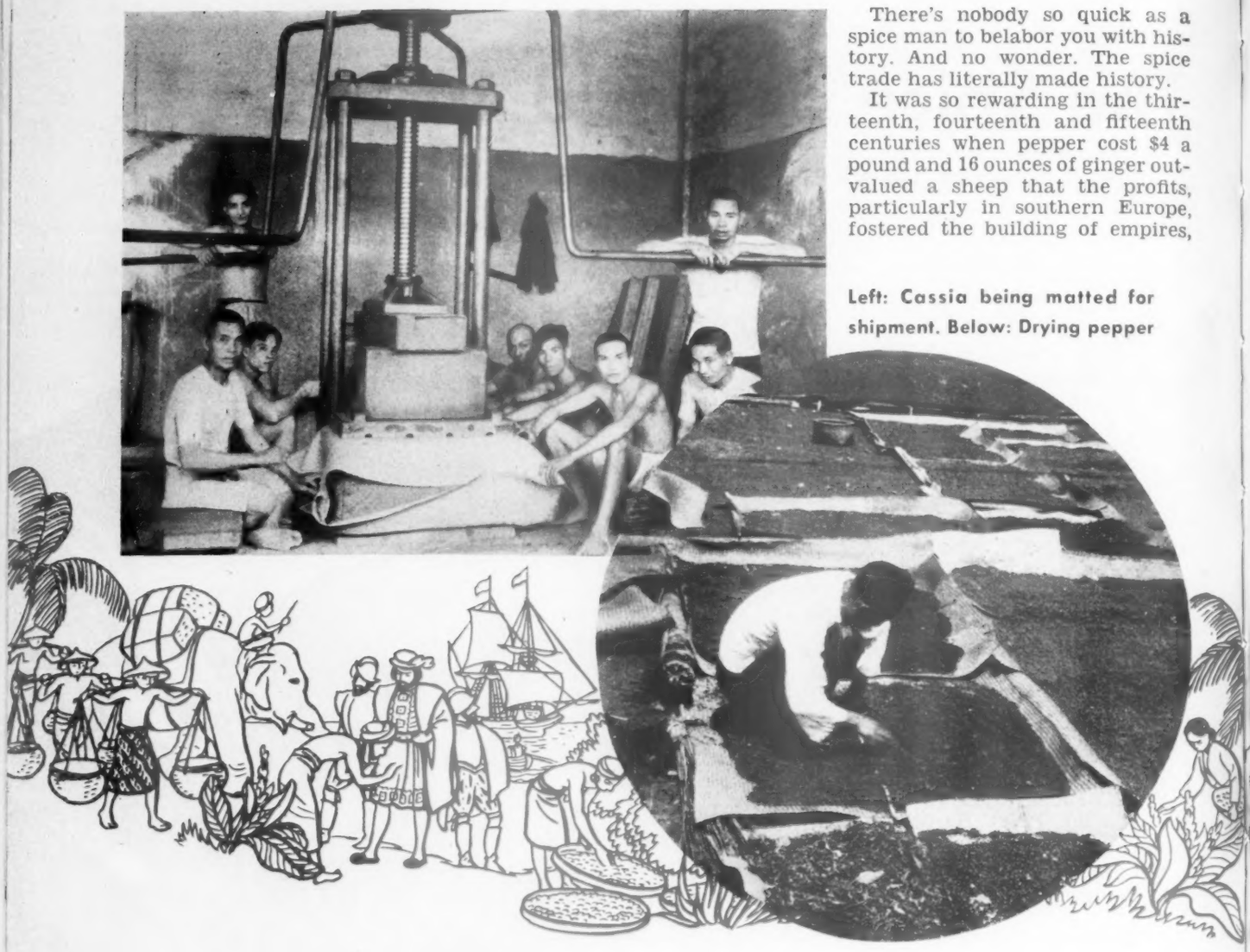
WANT a new taste treat in your coffee? Then do as the Eastern nations do: omit milk and sugar, put in a small amount of cloves or cinnamon or cardamon

WANT to make real Italian spaghetti? A pinch of basil added to the sauce will do the trick and the result will be pleasing

WANT to make mouths water over the fish you catch? Dress up your trout with sliced horseradish root and rosemary

SUFFER from insomnia? Add a tablespoonful of anise to a glass of hot milk and drink before retiring

SUFFER from asthma? Try tea of marjoram



There's nobody so quick as a spice man to belabor you with history. And no wonder. The spice trade has literally made history.

It was so rewarding in the thirteenth, fourteenth and fifteenth centuries when pepper cost $4 a pound and 16 ounces of ginger outvalued a sheep that the profits, particularly in southern Europe, fostered the building of empires,

Left: Cassia being matted for shipment. Below: Drying pepper

of a fabulous commerce. Yet their story has everything. Wars? Spices have caused them! Discoveries? Spices have fostered them. Amazing uses? Spices are noted for them.

Ever since civilization stuck its head up, the buds, seeds, barks and berries of a lot of aromatic and pungent plants have been almost as precious as, and far more useful than, gold and silver.

Remember the Bible story of the Ishmaelites who bought Joseph from his brethren? That little deal was arranged while the traders were bound for Egypt toting rich spicery. The Old Testament also recounts: "There came no more such abundance of spices as these which the Queen of Sheba gave to King Solomon." And the New Testament tells of the Three Wise Men who came seeking out the Child Jesus, bringing their gifts of exotic spices.

Four hundred and eight years later, 3,000 pounds of pepper were still precious enough to be a major part of the ransom demanded for Rome. And for centuries thereafter, not only were spices, even in small amounts, considered fitting presents for royalty, they were also used for taxes and rents.

As a matter of fact, you can thank Solomon for modern sales taxes since he imposed their forerunner—a tithe on spice merchants. And in eleventh century England, traders coming to deal in London had to pay a tax of ten pounds of pepper at Christmas and Easter.

An historical business

SPICE MEN themselves are a peculiar breed. Many of them, even in America, are Dutch. And they come largely from families that have been in the business for generations. They look and act like practical business men.

the growth of the arts and the construction of the great cathedrals.

And spices, no less, generated wars and discoveries. Spice-trade rivalry was back of the constant Middle Ages flare-ups between Italians, Spaniards, Portuguese and English. When the powerful Mohammedan federation controlled routes from the Near East to the spice islands, no Christian was permitted to navigate the Red Sea or to pass through the desert highways. The search for a new route sent Columbus journeying westward to discover America, others to find the passage around the Cape of Good Hope, and the Dutch and Portuguese to colonize the East Indies.

Nor does that end the saga. Chalk up, too, the early blossoming of the United States as due in no small measure to spices. The American merchant marine, although it mostly stayed away from India and the Indies where other

nations dealt, opened up the China trade which led to the prosperity of early New England and, in turn, to the emergence of American culture in the 18th and 19th centuries.

Spices have bizarre uses

WHY such huge importance for spices?

It wasn't for just their seasoning value but for what today we'd call their bizarre uses. There was, for instance, the greedy hunger for ginger in the East—for its aphrodisiac qualities. Witches and magicians earnestly depended on burning coriander seeds for inducing hallucinations. And Middle Ages Europe prized spices for aromas which covered up foul odors in the non-plumbing era.

There was the use of spices for religious purposes, for incense and embalming, for sacrificial and funeral rites.

And there were innumerable medicinal uses as well. The Romans spiked their wine with spices to cure stings of snakes and scorpions. And European great-grandmothers hung spices above their pillows as a cure for epilepsy.

The most fascinating tidbit of all comes out of the year 1720 when the Black Plague was ravaging France. Along with it, as an almost equal scourge, was the activity of four daring thieves who went about unafraid, robbing the dead and dying. Although all France joined in the hunt, the robbers when finally apprehended were let off with light sentences in return for revealing their unusual secret: how they made themselves immune to the plague. The thieves had concocted a liquid composed of cinnamon, garlic, camphor, cloves, other aromatic spices, vinegar and red wine. It was the antiseptic quality of this preparation that let them pilfer unplagued. This incident is supposed to have influenced later research in antiseptics.

But don't get the idea that the use of spices is any less variegated today—or even less bizarre. Pepper is, of course, still the refrigeration of the Orient. And in America, mustard peps up the hot dog and nostril-appealing spices provide the temptation in mince-meat, pumpkin pie, chili sauce, and the like. But also, anise covers the disagreeable flavor of your cough medicine. And cayenne goes on your hair in tonics.

If you're a lost weekender wallowing in pink elephants, your doctor may use cayenne as a specific for delirium tremens. If you're in the second-hand fur industry and changing dog skins into "red fox," you'll be using turmeric powder for the "improvement." As a farmer, powdered fennel comes in handy for discouraging fleas in kennels and stables, and fenugreek does a job on livestock digestion.

Because a little spice goes a long way, the American spice trade isn't big business in terms of quantity. In 1939, the commerce totted up to $60,000,000 annually. Before trade

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To get cinnamon, you must cut the inner bark from a tree that is just two years old

Germany Is



BAYRE PHILLIPS

The show-offs were arrested and returned to the Russians



PRESS ASSOCIATION

"Until Germany can unify, she will not be able to pay her own way—and will remain a rat hole"



WIDE WORLD PHOTOS

Outwardly the Germans are friendly enough but there is a growing unrest and a passive resistance to the Occupation

Our Peace Frontier

By J. LACEY REYNOLDS

EUROPE, even though torn and in ruins, is the key to freedom and future prosperity in the world

AT 10 O'CLOCK the tugs nuzzled our ship out of the recumbent port of Bremerhaven. By 11, we had negotiated the treacherous channel through the mine fields, with the help of an aerial escort of sea gulls and a German pilot. At noon, we sat down for lunch.

The captain was trying to set the atmosphere for a pleasant voyage to New York.

"We'll be seeing the last of Germany soon, if you want to take a farewell look," he said.

"I've seen all of Germany I want to see," spoke up the colonel beside me. He spoke with such finality, I asked him to elaborate.

"Well," he replied, "I fought my way into Germany and have served with the Occupation forces ever since. It seems to me that if the war was hell, the Occupation is only slightly less hellish."

He paused a moment: "The Germans hate our guts. Some don't trouble to conceal it. Others palaver over us to get what they can. A few try to cooperate. But I suspect they cooperate, not because they like us so much, but because they like the Russians less.

"We're pouring money down a rat hole," he continued. "If Russia won't cooperate, Germany can't unify. If Germany can't unify, she can't pay her own way. If she can't pay her way, she remains a rat hole and we must keep on pouring. Sometimes, I think we might as well pull out and let her stew in her own juice."

Much of what the colonel said coincided with my own observations. In my five weeks in Germany, I, too, had sensed the latent hostility of the Germans.

Now that I've thought it over, however, it's impossible to agree with the colonel. The let-her-stew-in-her-own-juice theory appeals to a growing number of Americans. But it is essentially the reaction of escapists in a world from which there is no escaping. The Germans have stewed in their own juice before, noticeably after the first world war. But eventually, America found herself stewing beside them—in the same old pot.

There are five compelling reasons why we should continue to occupy Germany, now and for the indefinite future: 1. The attitude of the German peo-



WIDE WORLD

Gen. Frank A. Keating, commander of our troops in Berlin, tries out a new miniature golf course



ACME

Each member of an American occupation family is allowed to buy $35 worth of food a month at the Commissary



PRESS ASSOCIATION

The home and heavily carved furniture of a former Berlin resident is used now by an American family



EUROPEAN

Swimming in the pool at the Nuremberg stadium is a sport popular with a great number of our troops



INTERNATIONAL NEWS

German boys worked in recent elections by carrying signs urging people to know the issues, cast a vote

ple; 2. The hostility of the Russians toward us; 3. The precarious position of Western Europe; 4. The vital interests of the United States and, 5. The attitude of the American people.

German Attitude: I entered Germany with the wise lines of an old Dutch poem ringing in my ears:

> "When the Hun is poor and down,
> He's the humblest man in town;
> But once he climbs and holds the rod,
> He smites his fellow man and God."

The Huns I met were certainly poor and down. Their humility might be taken for penance. But I was soon convinced it was merely sham. Many were obsequiously pro-American, with the obvious intent of wangling a cigarette or chocolate bar. Others were too ready to denounce the Hitler regime, even when it was not called for. There were few who did not claim to have served in concentration camps or else lost relatives there. Throughout my stay I met but one avowed Nazi. He had avowed it too late, however, and was imprisoned for concealing his party membership.

There were poorly concealed signs of outright hostility. There was arrogance in the leisurely manner in which the Germans got out of the way of a jeep. GI's were directed to wrong street addresses. At the Army's laundry in Frankfurt there was a rapid turnover of German personnel because workers simply stole enough to outfit themselves and their families, and then quit.

Intelligence reports showed growing unrest and passive resistance to the Occupation. American policies were being criticized; so were the actions of German officials cooperating with Americans. Germans working for the Occupation forces were being subjected to jibes and criticism. It was becoming more and more difficult to get German courts to convict ex-Nazis under the denazification program. About the only hopeful thing that could be said was that this wave of passive resistance and unrest was not yet organized.

I was surprised to find, underneath the Hun's humble mien, a fierce, burning belligerency. It contrasted sharply with the war weariness one finds in England, France and even in the States.

I recall a conversation one evening with a German social worker who had been mistreated as a prisoner of the Russians. He was suspiciously flattering in his remarks about the Americans, but there was no doubting his hatred for the Reds.

"Give us something to fight with," he finally said, clenching his fist, "and we will join the Americans against the Russians tomorrow."

It was not unusual for the Germans to try to play the Russians off against us, thus hoping to better their own miserable plight in the ensuing confusion and conflict. But I was shocked at the spectacle of a prostrate people shaking their fists in the rubble of one war and calling for another. I knew they could not be converted to peaceful ways, except in a long, long time.

Russian Hostility: The aims of the Russians in Europe coincide, I noted, with their aims in Asia to dominate as much of the continent's skills and resources and machines as bullying, blustering and bludgeoning will attain—short of war.

To dominate the continent of Europe, Russia must dominate all Germany.

Russia is aware of Germany's potential in the European scene. A nation that has twice over-

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One of every three adults clings to senses of values formed in years of unrest

It's Your Story —You Tell It

By MILLARD C. FAUGHT

MEMORANDUM to American Business Men

Subject: This Labor-Management Mess We're In.

64¢ question: Why Doesn't Somebody (Else) Do Something About It?

$64 answer: Why Don't *You* Do Something About It?

THIS "memorandum," if read by all the *men* in this country who make up the last word of the collective term "business *men*," would go a long way toward ending labor-management strife and most of the idle discussion about it. Because the nub of the whole problem is the all-too-ready willingness of the thousands of individual business men who actually run America's free enterprise system to let somebody *else* do something about the things that are wrong with it.

This is perhaps a sweeping indictment but the landscape is dotted with facts to document it. Let's look at a few.

We can begin with what is undoubtedly one of the biggest unwarranted assumptions since somebody first "assumed" the world was flat. It still *looks* flat. And each little child still has to be *taught* that it's round.

Now let's take the average business man. He *knows* the American economic system is the best anyone ever thought up. He knows how efficiently it can work to produce more goods for more people. He *knows* what a small portion of its financial rewards go to stockholders' profits and managements' salaries as compared to workers' wages. So he *assumes* that his workers and the great non-business public know all these things. They don't. To them the world still looks awful damn flat, and so does the American business system in a lot of places.

Somebody has got to help the little man in the street get himself a big pile of facts so he can get up

high enough to see the business and economic landscape for himself. And the best place for him to get the facts about the business system is the same place where he gets his bread and butter out of that system—from the man or the company where he gets his regular weekly or semi-monthly pay envelope.

But that isn't where he's getting the few facts he now has. He, and most of the rest of the public, just don't have the facts at all, or they have an oversupply of custom-tailored facts put out with a very definite purpose.

Let's silhouette this unwarranted assumption about the universality of the public understanding of the business world a little more sharply.

Some 36,000,000 persons—more than a third of the adult public—are between 20 and 35 years of age. This group includes almost all the "public" who were recently engaged in defending our American way of life, including our free enterprise business system. Now, consider that in 1930 all these people either were small children or were just beginning to be adults. This means that virtually all their sense of values—their concepts of what is important or unimportant about democratic government, free enterprise, private property, social and economic freedoms of the individual have been formed during:

- ▶ An era of world-wide depression and total war;
- ▶ An era of one domestic political regime, dedicated in large part to a modification of many traditional concepts of American life;
- ▶ An era filled with sinister and despotic, but nevertheless dramatic, economic and social experimentation all over the world;
- ▶ An era marked by instabilities, doubts and uncertainties which in turn have engendered cynicism and scoffing on the surface of our society and made possible steady "boring from within" by those who thrive on such conditions;
- ▶ An era highlighted by closed banks, idle factories, NRA, plowed-under pigs, technocracy, ham-and-egg political platforms and something-for-nothing economics.

Obviously the platitudes about the good old days of free enterprise do not mean the same to this public as they mean to the average business man. *The current public just wasn't around in the good old days of*



Platitudes of the good old days are falling on many deaf ears today

free enterprise. Even the cold-blooded reports of scientific opinion polls fail to jar any large segment of management out of the assumption that the public either understands or appreciates the current facts—much less the romantic pre-1929 traditions —of free enterprise.

Such research has shown for instance that the public thinks industry makes 15 to 35 per cent profit. It thinks five to 15 per cent would be a fair profit. *Actually*, profits over the 16 year period covering the period 1929-45 averaged 3.24 per cent of the sales in that time.

If the public knew such facts they wouldn't be taken in twice in one year by such hocus-pocus proposals as Wallace's and Nathan's 25 per cent wage boosts, "theoretically" payable out of "fat" corporate profits. The largest single reason for this type of unnecessary and costly ignorance is that the average worker has never been given a smidgeon of understandable information about his own company's bread-and-butter cost-and-profit arithmetic (except a lot of deductions made from his pay check).

Nor is it the workers in big factories who are the least informed or the most *mis*informed about the big world of enterprise. As for the 6,000,000 farmers and their families; as for the 80 per cent of workers who don't have jobs in industry; as for the millions of women who have *most* of the votes and the *least* of economic facts of life—may the good fairies enlighten them on the arithmetic of American enterprise! Because the men who run it are apparently too busy or they are in conference talking to themselves.

If any sensitive readers are made hot under the collar by such "indictments," then they might well loosen those collars and prepare their rebuttals. There's a lot to rebut. For instance, when the public was being told how many billions of dollars worth of war goods American enterprise was building, why didn't someone make clear how contract renegotiation procedure made it impossible for any but a few war baby companies to make "exorbitant" war profits?

Similarly, the public is currently wondering—and with perfectly good reason because nobody tells them such things—why many companies throughout the country with huge reconversion and strike losses are nevertheless able to pay dividends because of something vaguely referred to as "tax rebates."

John Doe is in favor of tax rebates—when he understands them—but he's sure sore about his own heavy tax dollars being "given back to big business who already made a killing out of the war." Have you taken the time to tell your workers what this is all about?

While we're on the subject of unwarranted assumptions about what the public knows and understands about the business and economic world, how about the radio contestant who lost $16 because he had the idea that a "closed shop" was one that was on strike?

And how many men-in-the-street, do you suppose, could explain the following satisfactorily to their wives:

- ▶ Why the present tax structure "double taxes" corporate income, and how high business taxes eventually get paid out of the pocket of the man in the street;
- ▶ Why companies carry accounts labeled "reserves" and "undivided profits;"
- ▶ Why a new machine that does 100 men's work can create more jobs than it replaces;

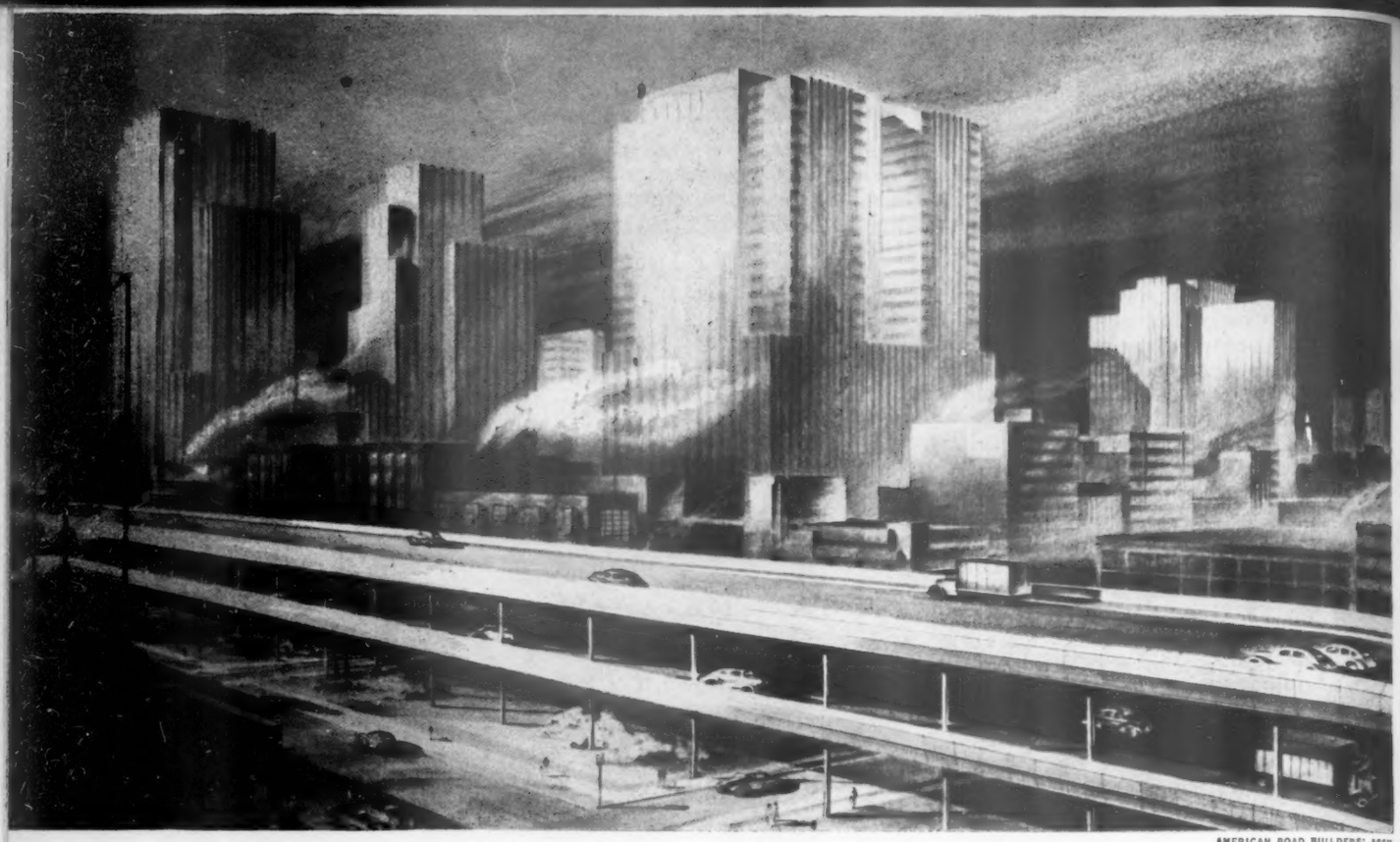


Points made in man-to-man conversation are better than lectures

- ▶ What the Sherman Antitrust Act and the Interstate Commerce laws have to do with a local labor dispute;
- ▶ What productivity has to do with whether wages can be raised without affecting prices;
- ▶ And how about some nice single-sentence explanations of portal-to-portal pay, guaranteed annual wages and secondary boycotts for Mr. Man-in-the-Street.

If we are to "save" the free enterprise system, someone—indeed a lot of someones—must start explaining some of these things. And quickly. Unemotional analysts of public opinion for one of the biggest business associations think our present economic system, and the men who run it, have three years—maybe five at the outside—to resell our so-far preferred way of life as against competing systems. Ours is the "last exhibit" of free enterprise in the world. If we yield it by default, that's all there is. Then we will really have to go back to the history of the good old days to read about what free enterprise was like—except that the "managed

(Continued on page 75)



AMERICAN ROAD BUILDERS' ASSN.

The Highway Is Part of t

By RAYY MITTEN

YOUR automobile is being regarded more and more by one huge industrial segment of our country as a symbol of personal frustration and economic waste.

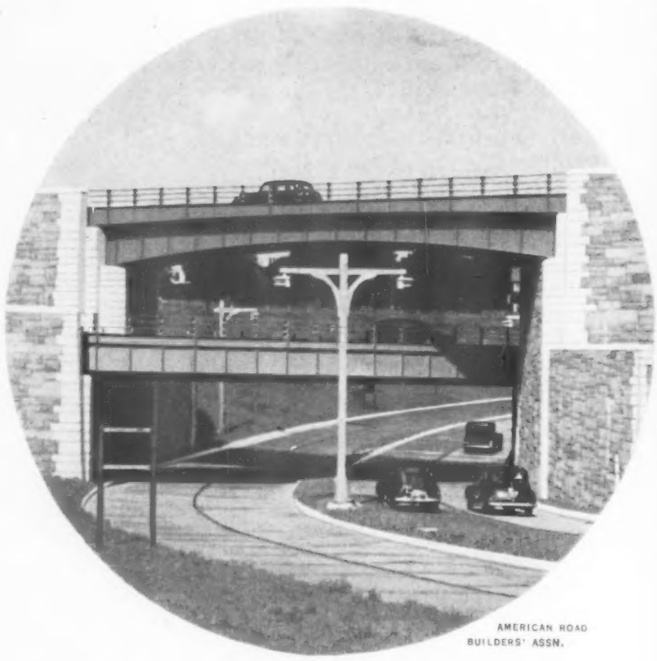
This appraisal, which the average motorist may find surprising, finds no fault with the family car as a mechanical device. It is concerned rather with what it considers to be the vehicle's undeveloped potentialities. It unhesitantly blames this stunted development on nightmarish city traffic congestion and a sore inadequacy of good streets and highways.

Such is the view taken by the highway construction industry—and those closely associated with it—of the state of affairs surrounding the automobile and the facilities provided for getting around in it.

Pondering the situation, members of the National Highway Users Conference nodded their assent when the case was drawn for them recently by Charles L. Dearing of the Brookings Institution, who has made a careful study of conditions.

"Today," he said, "we face the formidable task of virtually rebuilding our roads and streets to realize the full potential economy, convenience and safety of automotive transportation."

Ready to endorse this with some qualification were the Public Roads Administration, American Road Builders' Association and a nation-wide host of farmers, business men and industrialists whose daily operations involve the use of streets and highways.



AMERICAN ROAD BUILDERS' ASSN.

Struggling to get record produce outputs to market, farmers watch their trucks being battered by rutted roads. Business men see midtown real estate values slump, downtown business slacken and deliveries slow up as city traffic, which is forcing municipal decentralization, worsens.

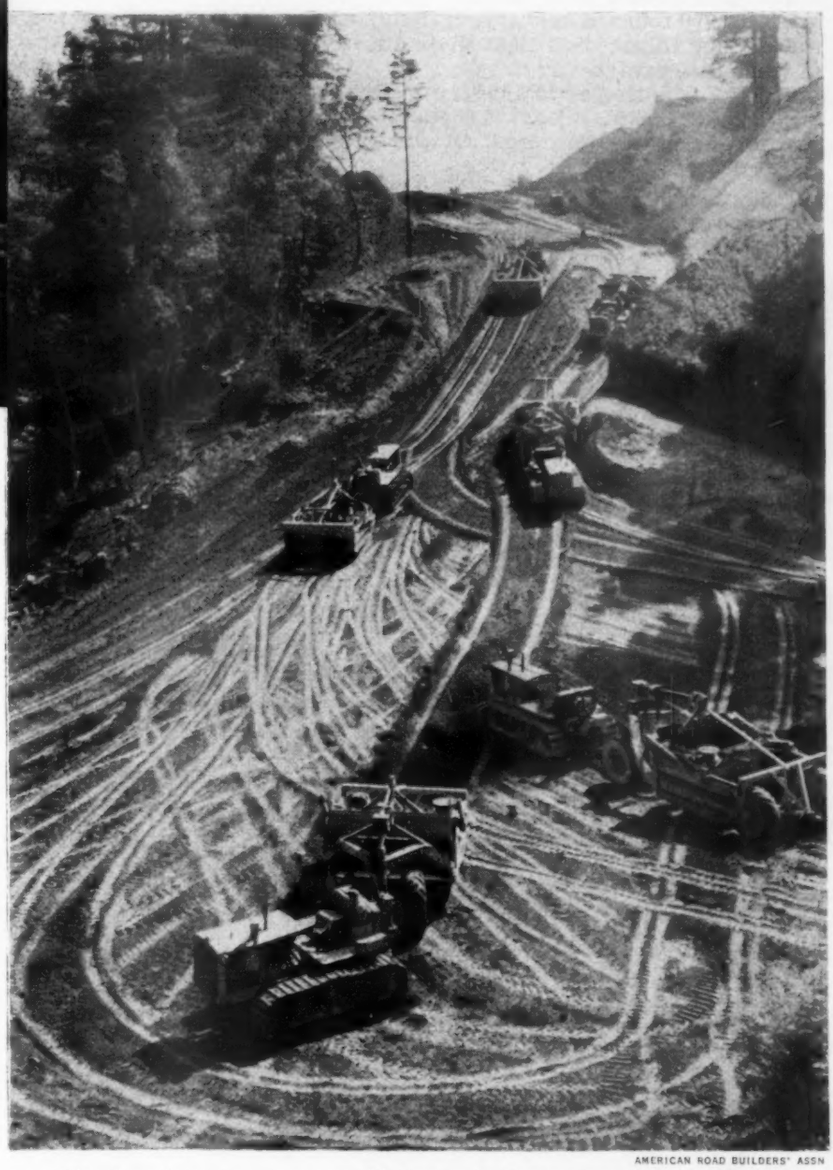
With gasoline and tires plentiful and cars becoming more so, the average motorist, weary of fighting city traffic snarls and jolting over long neglected





of the Car

HAVING GOT America out of the mud, road builders prepare for the second round of development—the multibillion dollar job of fitting tomorrow's roads to tomorrow's auto



AMERICAN ROAD BUILDERS' ASSN

Work under way on a new highway in Santa Cruz County, Calif. Above, at left, is Detroit's proposed John C. Lodge expressway

highways, is ready to welcome any improvement. Besides, he is asking himself, "What kind of roads will I find?" as he gets nearer to 1947's summer, which ARBA says will see tourist expenditures exceeding the banner, $6,000,000,000 year of 1940.

And, with the return of spring, the big contract-letting period, highway builders are rolling out their giant equipment, unfurling blueprints and preparing for the first big postwar year. For them 1947 has all the earmarks of a $1,000,000,000 year—biggest since 1930, when contracts totaled $1,500,000,000.

Arising from this are prospects of employment, both on and off the job, running into hundreds of thousands and prospects of the creation of billions of dollars in secondary business.

Last year, though it brought recovery from the wartime period when road work almost stopped and business hit a low of $300,000,000, was a bad construction year. This was because of labor scarcity, lack of ready plans, high costs and also shortages of materials and equipment, largely due to strikes.

The year's end found $700,000,000 of the $1,000,000,000 authorized under the federal aid highway program alone unspent. Contracts let totaled only about $736,000,000 from all sources. Employment averaged 44 per cent of the 1941 level.

Now, however, with conditions improved, builders are really ready to begin overhauling a highway plant so vast that it defies uniform appraisal of its value. Mr. Dearing estimates that between 1920 and 1940 we spent $41,000,000,000 for street and road development. The ARBA figures that from 1915 to 1942 a total of $23,400,000,000 was spent on street

and road work throughout the entire country. By 1925 we were discarding roads that were worn out or rendered inadequate by the growing number of motor vehicles, which increased in close parallel with highway improvement.

From 1923 to 1929 road building boomed, while vehicle registrations increased at the rate of 2,000,000 annually.

This is the picture today. State highway systems total 415,000 miles, of which 332,000 are primary roads. City streets total 250,000 miles. Then there are 2,400,000 miles of country, township and village roads. Superimposed on all of these are 40,000 miles of interstate express highways.

Though it is the world's best, our highway plant is still sadly lacking when its economic importance to the nation is considered. Of the 250,000 miles of city streets, only 95,000 are paved, while 110,000 have low-type surfaces and 45,000, though graded and drained, are unsurfaced.

The picture is even worse for rural roads. These serve 6,000,000 farms producing $27,000,000,000 of the national income, transport millions of children to schools and carry rural mail routes. Of the total, only 45,000 miles are well paved, 861,000 have no improvement and the rest are little better than beaten paths. Today 42 per cent of our farms are still on dirt roads.

While it sounds big, the $1,000,000,000 expected to be spent this year will only begin to erase accumulated highway depreciation, PRA officials point out. Wartime depreciation alone ran to about $2,000,000,000. About five times that much would be required to fix slightly more than 100,000 miles of bad roads of all types and 30,000 bridges, according to one estimate. This does not allow for new roads.

Those responsible for road-tending, meanwhile, are spurred by the prospect of pyramiding motor vehicle registrations. Having hit a prewar peak of 34,460,000 in 1941 and then having slumped to 30,100,000 in 1944, automobile registrations may reach 40,000,000 by 1950.

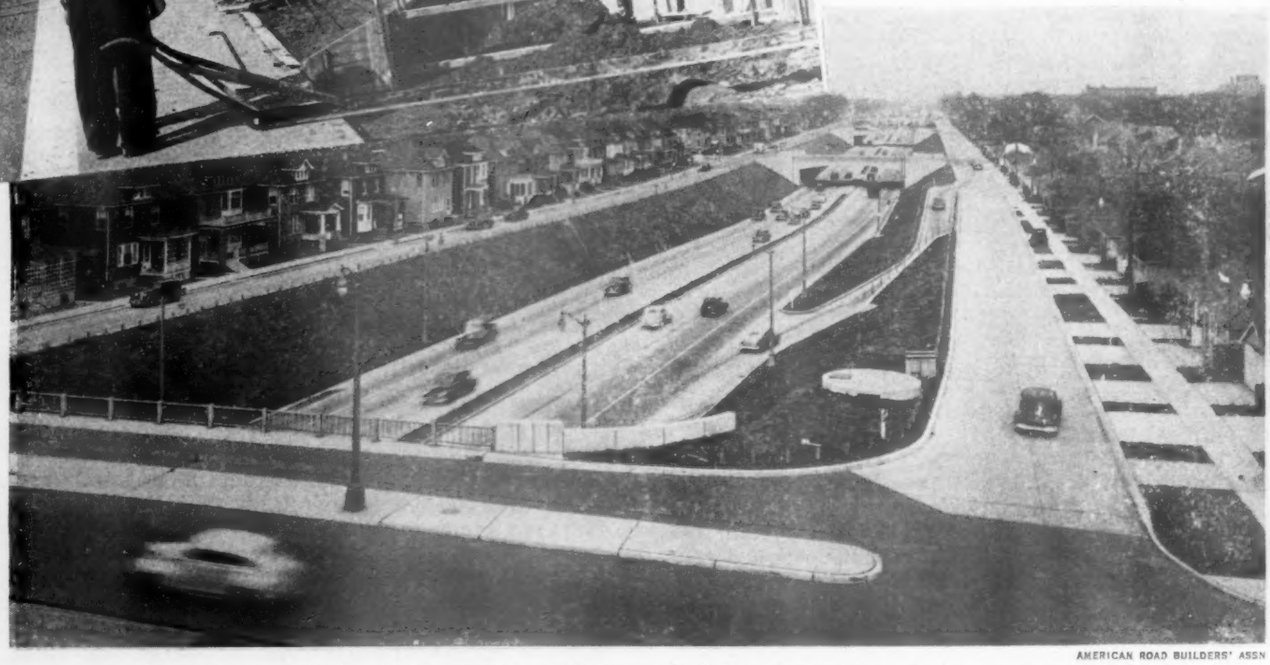
What the highway construction industry faces in effect is the country's second phase of road-building. Charles M. Upham, engineer-director of ARBA, puts it this way:

"In 1942, when we closed down our highway program, with the exception of access roads, we can truthfully say we were ringing down the curtain on

(Continued on page 82)

LAMBERT

Roads worn by war traffic will receive early attention



AMERICAN ROAD BUILDERS' ASSN

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TO VETERANS—IF YOU HAVE NATIONAL SERVICE LIFE INSURANCE—KEEP IT!

Seventeen Men and a Broom

By SAM STAVISKY

IT WAS during the fighting on Okinawa—of all places!—that Lieut. Frank Loughney conceived the idea of commercializing an unglamorous phase of the Marine Corps' "spit and polish" tradition.

Except on the battlefield, Marines the world over devote one day of the week—Field Day—to the energetic swabbing down and the meticulous cleaning up of quarters preparatory to inspection by the "Old Man." Over the years, the Leathernecks have developed a scientific technique for dealing with the detested weekly routine. Each member of the cleanup squad will specialize on a particular task, but working together as a team, the attack on dust, dirt and germs is carried out at top speed.

The idea of making a paying proposition of Field Day was inspired by a letter from home in which the little woman recounted the drudgery of spring cleaning. "I've been housecleaning for two weeks, and am exhausted," wrote Mrs. Loughney.

Why not, reasoned the former all-American gridster from La-Salle College, utilize Marine techniques and modern methods to liberate the housewife? The lieutenant mentioned the idea to fellow officers and men, only to be scoffed.



A small squad of men expeditiously attends to the spring cleaning while the housewife takes it easy

Tests his idea

LIEUTENANT LOUGHNEY wasn't kidding. When the 28-year-old officer left the Corps last winter, he immediately set out to test the practicality of his idea. Encouraged by his wife, Loughney set up a little shop in Upper Darby outside Philadelphia. He invested $2,000 in equipment: for vacuum cleaners, scrubbers, waxers, rug shampooers, floor scrapers, sanders, edgers, brooms, mops, buckets, etc. He spent another $2,000 for a second-hand truck and an auto. He then rounded up a squad of ex-Marines, trained them for the mopping-up operations, and opened for business.

The response was, as Loughney puts it, "something terrific." It seems that everybody—well, nearly everybody—who owned a house in the Philadelphia area was looking for someone just like Loughney and his crew to come along. Today, a year later, A to C (Attic to Cellar) Housecleaning Service is a thriving, sturdy enterprise.

A to C Service has built up such a large backlog of orders that new projects are accepted for four weeks ahead only.

"We charge from $40 to $300 for cleaning up a house, top to bottom, and guarantee to do it within a single day," Loughney declares. "The average house, say six rooms, can be easily handled by a squad of five or six men. Usually we take on three houses a day."

Loughney delivers fully-equipped squads to each "beachhead" in the morning. The squad leaders then take charge, carrying out prescribed orders and tactics.

Attack on a room generally follows this pattern: vacuum clean and remove rugs; brush walls, ceilings, shades; dust picture frames; clean mirrors; wash woodwork, window frames; wash venetian blinds; wash windows; clean and wax floors; lay rugs; vacuum clean furniture; wax furniture; vacuum clean rugs again; put up screens, or take them down; shampoo rugs and furniture; clean gear. Woodwork, walls and blinds are washed by hand.

As they did on Marine Field Day, the ex-Marines specialize on the job. The attack on a room is a coordinated assault, each squad member proceeding with a separate operation.

The former Marines, many wearing old service dungarees, like the work because they get around so much and because they retain the wartime feeling of comradeship. They often sing on the job.

Inspection after the job

MOST often the woman of the house is only too happy to be off and away when the A to C crew shows up. Which is just as well, because the boys don't like back seat drivers. However, at the end of each day's work, comes inspection—just like in the Corps—with the housewife and Loughney, check sheet in hand, making a tour of the rooms. As an incentive, the men receive a bonus for a job completed ahead of schedule, but are "gigged" if the job is unsatisfactory. The squad that fails to pass inspection must do the job over.

"It's a rare day that we have to do the job over," insists Loughney, "even though some women are extremely difficult to please and are tough customers to deal with. Once a housewife donned a pair of white gloves and went around hunting for dust in odd corners and crevices. Luckily, we came through that test with flying colors."

The original squad of A to C has trebled into a platoon of 17, all former Marines.

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Second Cooks in the White House

By DORIS FLEESON

THE PRESIDENT permits the members of his official family to make their own decisions and carry them out. For himself, he listens to their advice and then sets his own course

THE end product of the Republican carpenters' happy work with hammer and saw on the legislative structure of Roosevelt America is still obscure. They have announced, however, that it will face to the right.

In their marble palace, the nine young men of the United States Supreme Court seem equally bent left. Their momentum still stems from the Roosevelt Revolution.

As for the third branch of the Government, it is now clear that Mr. Truman proposes to saunter down the exact center of Main Street, matching each bow to the right with one to the left.

The President has provided this blueprint of his journey into 1948 with his three messages to Congress and the unaltered pattern of his personal and executive associates.

The messages did not challenge the Republican majority with proposals to open up any brave new frontiers; nor did they, on the other hand, seek any radical changes in the New Deal as now imbedded into law. New Deal measures are advocated but—there are no New Dealers around to fight for them. Economy and labor reforms are virtuously upheld but no basic correctives which might really annoy labor and the bureaucrats are outlined.

◀ **Here are the men, as our staff artist Charles Dunn sees them, who are closest to the President: Gen. George Marshall, John R. Steelman, Gen. Harry Vaughan, Clark Clifford, Julius Krug, George Snyder, George Allen and Tom Clark**

During the weeks when the messages and budget were being hammered out the great question was: Who is setting the White House line?

The answer: President Truman, and in the Middle Way.

It may be that the real determinant was the President's success in breaking John L. Lewis' coal strike with its subsequent upward bound of his prestige and self-confidence. It may be that injustice has been done to the Truman cronies and that what they say is the simple truth: That they do not want to influence him or make his policy; they only want to carry out his wishes. There is certainly a shift and balance in his avowed stand which proves that no strong push came successfully from any direction.

On its face, the picture also reveals Truman, the candidate for re-election in 1948.

In this there is one unknown factor, *la femme*. Mrs. Truman's ability to keep herself in the background amounts practically to genius; yet she has given the people who do get a chance to know her the impress of a resolute character. And she does not like Washington. To date there is no clue to her feelings about 1948.

If this were all the story there would be little point in dwelling on the company Mr. Truman keeps. But they are wielding the immense day-by-day power of the Government, more free probably from interference than the associates of any President since Mr. Coolidge.

In the absence of a positive Truman line and with the President practicing complete delegation of authority, his cabinets, kitchen and official, to an unusual degree make the policy they administer. When clashes occur—Bowles versus Snyder, Wallace vs. Byrnes—the President necessarily cracks down. But a Truman aide who keeps the lid on reasonably well can do about as he pleases. The merits of this system may be debated but it is the present tactic.

No cabinet member known to this reporter has ever felt that the President under whom he served consulted his Cabinet as much as he ought. Sadly they agree that, whatever the pious pronouncements with which an administration begins, the President always ends by telling them what he proposes to do and they do the cooperating.

Truman is described as following this pattern in his personal plans. But it is agreed that the loose rein prevails generally. As one spectator at his Cabinet meetings put it: "There is one Truman and ten little Trumans."

Above all the others, Secretary of State George C. Marshall can expect *carte blanche* from his boss. The President holds General Marshall in roughly the same esteem that the bobbysoxers hold Sinatra. Not only is Marshall perfect, but anyone having the temerity to criticize him stands self-convicted of serious faults of judgment, perhaps of character.

Mr. Roosevelt picked Marshall and jumped him many numbers to make him Chief of Staff in 1939. An easy promiser, Roosevelt had made

a commitment to James A. Farley that he would name the senior major general of the Army, Hugh Drum, to the coveted post. Drum happened to be a Catholic and some Catholic circles felt deeply about the "slight." The general stir insured that Marshall's actions would be the more sharply scrutinized.

But Marshall is a peerless public relations man and a diplomat whose instinct for the influential is infallible. No public man has ever picked his way more sure-footedly among the brambles of the press.

After the United States won its war Marshall prepared to retire but Mr. Truman attached him to the White House, then rushed him to China as a troubleshooter.

Washington's experience with troubleshooters is not a happy one. They go off with the speed and flare of skyrockets; if the vexing situation does not immediately resolve itself amid the heat and light thus generated they return to base convinced of the depravity of those who did not do as they were told.

Not Marshall. Almost unnoted by the American people, he worked quietly, patiently for a year to conciliate the Chinese civil war. His fair and judicious report, released coincidentally with his promotion, is a happy augury of the future. But a great testing awaits him.

The Republican Congress is restive about the economic cornerstone of the American peace—the reciprocal trade agreements. The core of Europe's recovery—the German treaty—is yet to be touched.

Marshall will need all the stuff his admirers say he has.

Have man-size chores

IN unification and the problem of wresting adequate appropriations from an economy-minded Congress and the country, the secretaries of War and Navy also have got man-size chores. Patterson and Forrestal are able men though very different. The solid Patterson, son of a mathematical genius, is a literal, humorless former judge. Forrestal is a money-shrewd Wall Streeter whose broken nose lends a derisive touch to the jaunty Broadwayish figure which his stanch friends sadly admit is a major drawback in their efforts to have him regarded as Presidential timber.

The principal criticism leveled against both is that they have fallen easy prey to their brass, forgetting that the founding fathers provided for civilian secretaries and civilian President to boss the Army and Navy as needed insurance against military rule. Their critics assert the pending unification bills are booby-trapped with proposals giving the military control of production both in peace and war.

Both Patterson and Forrestal are weary from war service. They are staying at Truman's insistence until unification is settled.

Snyder retains favor

SECRETARY of the Treasury John Wesley Snyder, inelegantly described in his home state as the tail to the kite of his wartime buddy, holds a card in both of the Truman Cabinets. Washington still shakes its head, but Mr. Truman is loyal.

Understandably shaken, Truman called his old pal to Washington the day Roosevelt died. He handed responsibility for liquidating the war economy to the man who, a few years before, had sat wistfully in an anteroom while Jesse Jones haggled with a politician over whether Snyder was worth $7,500 a year to RFC.

But, nothing loth, Snyder acted —zealously. Truman often had— glumly—to re-enact.

Snyder's foot seems more secure in the Treasury. Of course, there was the time when the President said we were going to balance the budget and Snyder said we weren't and both then told reporters indignantly they were saying the same thing.

An unknown quantity when the potent Texas influence in Washington catapulted him into the Cabinet, young Tom C. Clark, the attorney general, is coming up strong for the next round. The Truman climate suits him. He is not mad at nor carrying torches for anybody, and he is much more astute than his boss.

An old associate, Douglas W. McGregor of Texas, has been imported to the strategic job of assistant to the attorney general, in charge of patronage. Of all the Truman crowd, Mr. Clark is demonstrating the shrewdest survival value politically.

Clark's rather bumpy features do photographic injustice to a really agreeable personality. With pretty Mrs. Clark he is much in evidence socially.

Postmaster General Robert E. Hannegan's high blood pressure has given him a poor attendance record here. Not much is expected of him, anyway, although the Republicans are grumbling about the present Post Office deficits. The Democrats are grumbling also that their ballot deficits might be laid in part to a lack of conscientiousness on the part of Hannegan.

That the St. Louis politician is rated the New Deal spokesman at the White House is prime evidence of the low estate to which that once imaginative program has fallen. Hannegan makes no claim to understanding economic and social forces; he just warns the boys that labor and the liberals won't stay hitched to a conservative Democratic President.

Some blame for the Wallace debacle must be laid to Hannegan. He arranged to feature Henry Wallace as a campaign orator. He knew —because they fought about it in Cabinet—that Wallace feared and detested Byrnes' policy. Yet Hannegan blithely dispatched Wallace to Madison Square Garden to talk to the restive New York coalition on foreign policy without suggesting that anybody, much less himself, should clear Wallace's speech.

Krug opposed Lewis

TO towering Julius Krug, successor to Harold Ickes, must go credit for providing the major impetus in breaking the coal crisis. Krug felt Lewis got a break from the Government that was giving the miners a real beginning toward health and welfare programs and he wasn't having any of Lewis' superlegal poker playing. With inside help he convinced Truman it could be done; and thus overcame the legal doubt of the attorney general.

But Interior reports that Krug takes little interest in the vast ramifications of that sprawling department. The bureaucrats are running things to suit themselves.

Secretary of Agriculture Clinton P. Anderson, the pleasant and versatile New Mexico ranchman, is about to be tested as the specter of farm gluts begins to emerge from the closet.

Because of the world demand for U. S. food and subsequent high prices, there has been no farm problem but apparently it, too, is just around the corner.

Commerce has been an orphan child since Herbert Hoover made it the springboard to the Presidency and the amiable W. Averell Harriman has not altered its status. It is hard to believe that he cares greatly. Harriman hardly fits into the old Missouri atmosphere, is not expected to remain indefinitely.

And if Harry would only come



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through with another federal judgeship, how happy it would make his old friend, Lewis Schwellenbach, who was brought here to succeed Frances Perkins in great haste because Labor "needed a man." Mr. Truman then brought into his White House group the pre-New Deal Dr. John R. Steelman as labor adviser and in other ways has bypassed Schwellenbach.

Schwellenbach could depart gracefully now, his prestige in labor circles somewhat restored by his successful fight to moderate the labor passages of the President's message. He is a studious man, happier on the bench than here.

The kitchen cabinet

THE famous Truman kitchen cabinet is comparatively unmarked by the vicissitudes of Washington. Of all its members the dream prince lawyer from the upper stratum of St. Louis society, Clark Clifford, is potentially the most interesting.

Clifford is well, if narrowly, qualified, to help in large matters. With the departure of Judge Rosenman, whose friendship he had cultivated, he took over the important tasks of lawyer-draftsman. This point of vantage led to a rash of reports about his influence. Naturally anyone who can walk in and out of the President's quarters has influence, but there is no evidence to support large policy-making by Clifford.

He is completely the lawyer, the protective advocate, eager to place his client in the best possible light, and help him avoid blunders and mistakes. Clifford has contacts with people interested in social and creative endeavors—the kind that would only bore George Allen and Harry Vaughan and maybe Truman.

This, combined with his legal training, gives him a detachment lacking in the others. As it is added to a fine personal loyalty, which he feels for the man who has given him so great a position in so short a time, the results cannot fail to be happy for Mr. Truman.

Yet there is nothing of the crusader about Clifford. At home his career falls into the groove of rich, decent respectability. It is rare in any case that the legal mind goes too imaginatively afield in the realm of statesmanship.

The Cliffords are both spectacularly good-looking and have three daughters ditto. All are musical. They are the glamour of the Truman Administration.

George Allen of Mississippi, suh, is back in the role of storyteller, sympathizer and official optimist, and it suits him much better than the RFC, Washington thinks. To George, politics is a way of life where, if you are lucky, you meet interesting people who can help you make a lot of money and in ways that are strictly legal.

The day after Mr. Truman took office Mrs. Truman came to him appalled and told him that under the Roosevelts the White House grocery bill ran $3,000 a month. "Send for George Allen, he knows all about that stuff, he used to run a hotel (the Wardman Park)," suggested someone. George fixed it. He pruned the staff, altered the domestic arrangements so that expenditures could be kept within bounds suitable to the new President.

Washington took George as a Presidential pal in its stride. Most of them had laughed at George's jokes, once. His elevation to RFC director, especially as he held on to his directorships, did not seem so amusing.

Allen was entirely circumspect during his year in the new role of serious and important businessman. In resigning, he handed on recommendations for an RFC trimmed to peacetime proportions that received favorable notice.

Rarely seen now but still very influential is a Roosevelt heritage, Admiral Leahy, now as through the war, chief of staff to the President. Leahy alone can tell Mr. Truman substantially what Roosevelt and Harry Hopkins had in mind.

Leahy's postwar contribution has been insistence upon a stern policy toward Russia. From Leahy came repeated leaks regarding Secretary Byrnes' resignation which finally came true. The admiral did not feel Byrnes was sufficiently tough with the Russians.



Perhaps the difficulty is that Leahy advocated a preventive war against the Japanese—as chief of naval operations when they sank the American gunboat *Panay* in the Yangtze River in 1935—and it now seems like good advice. Leahy's influence will lessen with Marshall's advent.

Survived bad press

ADVERSE and rather unfair publicity was the portion of Truman's labor adviser, Dr. John R. Steelman, because he had been a friend of John L. Lewis. A cheerful extrovert, Steelman survived to succeed to reconversion tasks. In the tangled labor picture he is roughly to the right, more acceptable to AFL than to CIO. He hopes to succeed Schwellenbach.

Of all the inner circle the simonpure Trumanite is Maj. Gen. Harry Vaughan. It is possible to conceive of reasons why the others might be found in another administration but Vaughan is here because Mr. Truman is here, period.

In an administration seriously deficient in colorful characters, the uninhibited Vaughan appeared to be a godsend. Asked to fill the pulpit of an Alexandria, Va., church he obliged with a comparison of Catholic and Protestant chaplains highly invidious to his Protestant hosts and complained, "I don't know why a minister can't be a regular guy." For weeks afterward a request for Vaughan's telephone extension brought the plaintive question: "Is it about the chaplains?"

The General also found it necessary to apologize to congressmen who had sons at West Point for some hasty remarks about boys who played football there when they should have been at the front.

General Vaughan is blamed by some of the President's old friends who wish he would get better advice for the narrow circle in which Truman moves. It is always Vaughan, they aver, who says, "Oh, we don't want that killjoy around."

But they, no more than the people of the United States whose destinies are at stake, can do much about the kitchen cabinet. The institution may be evil but every President deems it essential. Patience and fortitude.



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FIT THE JOB . . . LAST LONGER

Wills Are Funny Things

By ART ROBINSON

A PERSON'S last will and testament or the lack of one can lead to unexpected and oftentimes to tragic results



A poet left his estate to his widow only if she remarried

THE will or testament by which a man makes arrangement to dispose of his earthly belongings often is a clew to his character.

It took Calvin Coolidge just 23 words to leave all his possessions to his wife. He wrote his will on a sheet of White House stationery.

P. T. Barnum used 53 printed pages and had his will published in book form. He remembered generously many friends he had met in his colorful life. He also left funds to colleges and scientific groups to expose the kind of bunkum with which he had made his fortune.



A fund established in 1803 still cares for old salts

A person who was acquainted with neither of these men could read the two wills and come to a reasonable conclusion that Coolidge was a man of few words, quiet, proper, thrifty and efficient, and that Barnum by contrast was demonstrative, garrulous and gay, as well as practical—and a showman to the end.

The will of a certain banker revealed two traits of character: keen observation and admirable restraint. His will read in part: "To my wife I leave her lover and the knowledge that I wasn't the fool she thought I was."

Many men have placed certain restraint on their widows. Among this group was Patrick Henry, who willed that his wife should have none of his estate if she should take another husband. Gouverneur Morris, another Revolutionary statesman, left his widow a sizable fortune and generously provided the amount should be doubled if she should remarry. Going a step further, the poet, Heinrich Heine, willed that his wife should get his estate only on condition that she marry again immediately. "There will then be at least one man to regret my death," he wrote.

Some wills are literary masterpieces, others are philosophical, and many are weighted with advice. Rufus Hatch of New York included in his will the following message: "I earnestly desire that my children shall not gamble in any way for money as their father has had experience sufficient for all posterity."

The most common character trait discernible in reading many wills is the apparent belief of each testator that times and conditions will not change. Even Benjamin Franklin, renowned for prophetic vision, failed to foresee the social change which would bring an end to the system of indenture. He set aside $10,000 for the relief of indentured printers. The fund has grown at compound interest through the years while judges and lawyers have tried to find uses for it within the limits of the will.



Widows sometimes suffer when a will is lacking

Other fortunes have been made almost useless for decades by too specific provisions in wills.

Capt. Robert Richard Randall was an early American officer on sailing vessels. When he retired, he had modest savings of some $7,000 and a 21 acre farm on Manhattan Island. Because he was a bachelor and had no family, he was concerned about the disposition of this estate. He accepted the advice of several attorneys, including Alexander Hamilton, and composed a will which endowed a small home for "aged, decrepit and worn-out seamen of sailing vessels." Neither Captain Randall, Hamilton nor any of the other attorneys foresaw the change which Robert Fulton was to bring in styles of seamanship.

Captain Randall died in 1803. The pastures of his little farm are now a concrete labyrinth in the heart of New York City, estimated to be worth some $30,000,000. Trustees of the fund decline to give figures on current income, but it should approximate $1,500,000 a year. Until recently, this great wealth could be spent only on the few "worn-out seamen of sailing vessels" still being washed ashore in New York. But Walter C. Guenther, deputy comptroller for the fund, reports that beneficiaries now include "aged, decrepit and worn-out sailors of both sailing vessels and steamships." Many will say that despite this extension the huge fortune is not serving as valu-

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ably as it might if Captain Randall could have a chance to write his will again.

Another man remarkably successful in his own time but unable to see beyond his era was Byron Mullanphy, mayor of St. Louis and judge of circuit courts there during the first half of the 19th Century. From his vantage point on the Mississippi, he saw many courageous families start for the Far West; and he saw many of these same families straggling back with grim tales of Indian attacks and other misfortunes.

When Mullanphy died in 1851, he set aside the income from a number of parcels of land for the assistance of these covered wagon immigrants "who are making a bona fide effort to settle the West." The last covered wagon rumbled out of St. Louis shortly thereafter. Each year, fewer bona fide settlers of the West were stranded in St. Louis. In recent years, the income from Mullanphy's 60 parcels of land has amounted to more than $1,000,000 each 12 months. But the fund is tied by an ironclad will. Trustees and courts permit a trickle of this fortune to drip into the coffers of the Travelers Aid Station in St. Louis.

Troubles without a will

IN general, however, courts are plagued less often by such overly specific wills than by estates which must be divided among heirs and claimants without the aid of any will. More than 90 per cent of the people of the United States die without leaving a will.

Failure to write a will results in most cases from procrastination. Some persons fear superstitiously that the writing of a final testament will hasten death. And others believe mistakenly that will-making is expensive.

Wills have been found legal, which were written on walls, step ladders, match boxes, prescription blanks, pages from mail order catalogs, and even dictated onto phonograph records. On the other hand, wills drawn carefully by lawyers have been declared invalid because just one of several original copies had disappeared, courts assuming that the testator might have destroyed that one copy with the intent of revoking it.

Failure to leave a will may result in some unexpected claimant appearing to tie up in lengthy litigation even a small estate. And such an estate may waste away during the court battles over it. Frequently a successful small busi-

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ness must be destroyed so that a court may make distribution to all legal claimants according to law, whereas all heirs might have benefited to greater degree if the business had been maintained by a trust set up in a will.

Failure to execute a will also may result in money going to someone for whom it is not intended. A Connecticut hardware dealer had $13,000 which he believed sufficient to take care of his invalid wife. He intended leaving nothing to a prosperous son who was estranged from his parents. But the hardware dealer neglected to write a will until too late. As a result, after incidental expenses, the widow received only a third of the estate, about $4,000, which was not nearly enough for her needs. The son came in for the other two thirds, a windfall he didn't need and which his father never intended he should get.

Advice is rarely sought

ASTUTE business men seek counsel of lawyers and bankers on all their major transactions. And yet 90 out of 100 neglect to get advice on the biggest deal of all, the disposal of an entire fortune.

Most lawyers will draw up a simple, uncomplicated will for a few dollars. Many banks have special trust sections where experts will give advice free to those who need it.

Some 15 years ago, the Central Hanover Bank and Trust Company of New York established a Department of Philanthropic Information to aid the wealthy in wise distribution of their money. This department has a voluminous library, makes no recommendations, but often refers clients to authorities in the special fields in which the clients may want to make donations.

The family trust has been a solution for many men who wanted to be sure a going business would stay in operation for the continued benefit of several heirs.

The community trust fund is a recent development for avoiding the mistakes of Captain Randall and Byron Mullanphy. To such a fund, money can be left for a specific purpose or for the general good of a community.

Whatever the choice of disposition, each man should make some plans for it, whether he has $5,000 or $5,000,000, and even though the task may be distasteful to him. Certainly in this responsibility, the old proverb is well applied, "Don't put off till tomorrow . . ."

Selling Egg Shells



RAY SCHULTZ was a man who wanted his own business. There was nothing so unusual about that; lots of men want their own business. The difference in Schultz' case was that he wanted a business enough to consider one that likely would not pop into another man's mind in a hundred years.

One day as Schultz was driving to work he noticed a couple of trucks backed up to the river. They were dumping egg shells into the water. As he watched the shells sliding slowly out of the trucks, an idea flashed through his mind. He had attended the University of Omaha, knew something about dehydration.

It took a little time to line up a few essentials. Then a couple of weeks later he drove a truck up to the rear entrance of one of Omaha's egg processing plants and asked to see the manager. Ray offered to cart off all of the plant's egg shells at no cost. The manager gave Schultz the "go ahead."

Schultz was now in business. Loading his truck with shells, he drove back to a small place he had rented in South Omaha and in which he had installed dehydrating equipment of his own making. There they were dehydrated, ground into meal and poured into sacks. The finished product became a chicken and pig feed which brings Schultz $20 a ton.

As the demand for his feed increased, Schultz found that his old quarters were too small. He moved into a new structure in which $9,000 worth of machinery of later design was installed.

Not one to keep his business success a secret, Ray says the egg shell field is wide open for any man willing to follow the route he took. As he points out, the shells are rich in the balanced-mineral content needed in feed. Every chicken raiser and feed man knows it. But it's a matter of selling your product.

—PEARL P. PUCKETT



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The Spice of World Trade

(Continued from page 43)

routes were blasted, ships unloaded 118,000,000 pounds of spice yearly at our docks.

It isn't big potatoes, but it is, nevertheless, a worldwide trade.

We use about 30 different spices in the United States and practically all of them are grown in the tropical regions of the Orient. The islands of Madagascar and Zanzibar, off the coast of Africa, contribute certain spices, as does Jamaica in the West Indies. A few spices come from the southern European countries bordering the Mediterranean. But chief production is in the East Indies, India, Japan, China and the Malay Archipelago.

Tropical climate needed

IT takes tropical suns, rains and winds to store the rich aroma and rare flavor of spices. It also takes the patience of the tropical Oriental laborer to grow, harvest, cure and prepare spices for shipment.

All you have to do with cinnamon and cassia, for example, is to cut the inner bark from a tree just two years old. Then you have to strip those barks carefully, ferment them with tender care and pack them with loving hands.

Mace, too, is no snap. This exotic number grows as nothing more than a crimson network covering on nutmeg seeds. It has to be cut from the nutmeg by hand.

The same care is needed for other spices. Clove and caper blossoms have to be gathered before they bloom. Allspice berries and black peppercorns must be picked before they ripen.

Prior to the first World War, the majority of the spices from the Far East were still shipped first to Europe.

But with the war, direct service was inaugurated between Java and San Francisco, followed by similar service between the East Indies and New York. This brought an influx of Dutch brokers and the jelling of our spice trade in its present form.

Today spices are brought from plantation to New York in seven weeks, compared with several years transport 500 years ago. And the cost is now only a few cents, instead of several dollars per pound.

Most spices enter the country in the whole form. They are cleaned, sorted and graded. Then comes the grinding process in huge machines constructed to prevent escape of the volatile oils. Spice packers use a fine silk mesh to sift the ground products. This leaves the powder smooth and uniform for easy blending with other ingredients in cooking.

Any building in which spices are processed becomes a palace of tantalizing odors. Fumes seep into and hang on in every corner and no amount of scrubbing can remove them. Once a machine is used to grind a particular spice, it can't be used for any other.

People who handle spices, particularly grinders, rarely have colds. That may be because the spices in the air toughen the mucous membranes of the nose and throat, making them almost impervious to germs. Or it may be the antiseptic effect of spices.

Similarly, butchers have no monopoly on rosy cheeks; grinders, too, are healthy-looking. They get their roseate hue from the little spice particles which are always in the air and which apparently keep the skin exhilarated.

Trade still unsettled

ALTHOUGH the war has been over for some time, the spice trade still hasn't settled back to normal. During the war farmers in eight states went in for spice growing, but lower costs abroad are expected to make domestic production unprofitable except in a few cases. Another trouble is flavor, as with sage. Finest prewar sage came from the Dalmatian coast of Yugoslavia. Many spice dealers complain that American sage—grown in California, Massachusetts and Arizona—has a turpentine flavor.

One domestic product sure to go on, however, is mustard. A few counties in northern Montana now produce almost twice our total needs. Mustard growing there began only 14 years ago, expanded greatly during the war. When Amil Kleinert, pioneer Montana grower, first started raising his crop, his neighbors thought he was developing another type of noxious weed that would infest wheat fields in the area. It wasn't safe for him to go out of doors at night, even in the year 1931, until he proved that cultivated mustard doesn't survive over the winter in the soil and is not a threat to succeeding crops.

The big trouble in spices right now, however, is the import situation, particularly in pepper.

When the Japs invaded the East Indies, which once supplied 85 per cent of the world's pepper, they cut down pepper trees by the millions to make way for other crops and military installations. They also took workers away from the pepper plantations and let the remaining trees become choked by rank jungle undergrowth. As a result, world pepper production this year is one third of normal.

Meantime there's a 10,000 ton stockpile of pepper on Bangka, an East Indian spice island. The Netherlands Indies Government, which controls legal export, has been too busy with revolutions in Java and Sumatra to worry about pepper. Pepper smugglers have taken over, carrying on a lucrative if illegal pepper-running trade between Bangka and Singapore. All of which leaves the average American housewife gasping for a sneeze, paying 80 cents a pound.

Operators optimistic

WITH the exception of pepper, however, the spice trade is expected to be back in full swing this year.

When spices are swinging high again, there's likely to be a marked increase in their use. For one thing, in the late 'thirties, the Nobel prize was won by a Hungarian scientist who found that paprika is the world's best source of vitamins C, P and K. Subsequently vitamins in plenty have been found in red pepper and cayenne.

Millions of service men have come back with a new appreciation for the tongue-titillators. Early in the war, the Army made tests in which one group of soldiers received spice-flavored food while a control group got equal quantities of unflavored nourishment. Results showed that spices increased stamina. So the Army has made heavy use of spices in the mess halls.

Similarly, travel and dining in strange lands where spices are cooking essentials are expected to increase the demand.

There's also the growth of the supermarket. The public in general, say spice men, needs to be sold on the wonders of spices. The haphazard sales in the corner grocery didn't even begin to do the job. Scientific displays in supermarkets have already shown that spice sales can be doubled. So bigger and better campaigns are in the offing.

There is, spice men say, going to be much more spice in a lot of American lives from now on.

What Russia Says About Us

(Continued from page 38)

themselves face to face with hunger and poverty and discover they are unneeded.

"No other country provides the care with which the Soviet Government surrounds its demobilized warriors. The Soviet people, the Bolshevik Party and Comrade Stalin show fatherly solicitude for the warriors who are returning to peaceful creative labor. Each is provided with work according to his skill and qualifications. They are accepted into the higher schools of education and given material assistance. They are provided with clothes and provisions and given dwellings equipped with all necessary conditions."

Ivan is not told that, out of 13,000,000 veterans in the United States, men and women, 1,600,000 are in schools and less than 700,000 are unemployed, including disabled and those not looking for work, or that an unemployed veteran receives $20 a week, that 600,000 have received $3,000,000,000 in loans and that 5,675,000 have $35,000,000,000 in Government insurance.

Instead of an allotment from his pay of ten rubles ($1) a month, the wife of a Red Army soldier is provided with a job. He also appreciates class distinctions of the proletarian army where a lieutenant's pay is 85 times that of an enlisted man.

Little education!

"WORKING people in the United States cannot afford to send their children beyond primary schools, and higher education is the privilege of only the rich," the Moscow newspaper *Pravda* explains.

"More than 350,000 American soldiers are unable to sign their own name," the article continues.

M. P. Tarasov, who visited the United States as chief delegate to the World Federation of Trade Unions, fills four columns in *Trud*, newspaper of the Soviet trade unions.

"Inflation is in progress in the United States and no political force can stop the decline of the dollar," he says. "American workers never are free from fear over the approaching 'black day' when they are discharged or become sick. There is no free medical care in America."

Comrade Tarasov does not tell his people that American workers have unemployment compensation, social security, insurance, savings, free clinics, hospital beds and medical care or that they own homes, automobiles, refrigerators, gas ranges, radios, vacuum cleaners and other conveniences which are enjoyed only by the politically anointed in the Soviet Union. He also does not tell his people that the Soviet Government, as sole employer in Russia, also controls all union activity.

His final disclosure is: "The CIO has to fight on two fronts—against the reactionary leadership of AFL and against employers."

Zinaida Gagarina of the executive committee of the World Federation of Democratic Women regrets that her sisters in the United States lack the Soviet privileges to do a man's heavy work.

"In the United States, the labor conditions of women—their pay and hours—are not defined as to length," she announces. "They are not deprived of the right to vote or hold office, but they do not have equality with men. Nowhere in the world do women enjoy so many rights as in the Soviet Union."

In the Soviet Union the Communist Party selects the candidate and everyone votes for him, or else. M. Sokolov, writing in the Red fleet's newspaper, dissects American elections as follows:

"Before an election, the district captains hire people to register under different names. Ten men in a week can register 1,200 names. Voting dead persons is important, but it is not necessary to get correct names off tombstones. On election day, other persons are hired to vote numerous times in each district. In New York city alone 250,000 votes are falsified. If these preparations have not been made, the urns containing the ballots are stolen."

Newspapers are held to blame for the average American's ignorance, as the Moscow radio explains to Ivan: "Publication of most newspapers in the United States has become a branch of capitalist economy. Editors and correspondents are financially dependent and feed public opinion in accordance with their masters' directives."

In contrast, the Communist Party is the only master of the Soviet press, as explained by *Pravda*.

"As Stalin teaches us, our press is in daily and hourly contact with the working masses," this mass circulation leader editorializes. "It is truly a people's press—active propagandist, organizer and agitator. Its top priority task is large scale propaganda on the great principles of the Stalin constitution—the gains of world and historic significance—to the people. A newspaper can cope with its tasks only if its daily activities are guided and directed by a Communist party committee."

Comrade Bronsky in the *Komsomol Pravda* sees the coming dawn in the United States and the reactionaries—Republicans and Democrats—swept away by a new party.

"The progressive elements led by Senator Pepper, Henry Wallace and Elliott Roosevelt are consolidating their forces and promise a fierce political struggle in the near future."

Reds fight for peace

ANOTHER potent force in the education of the dozing average American, Ivan Ivanovich is assured, is the Red delegation to the United Nations and its staff in New York city.

"The average American hears their voices and his sympathies are with the principles they defend," Comrade Poltoratky in New York advises through the Moscow paper *Izvestia*. "The Soviet delegation fights persistently for peace, complete securities of peoples and the great principles of democracy. Millions of people in all corners of the globe follow their struggle with hope and admiration. The moral-political superiority of the Soviet delegation is beyond dispute."

Comrade Poltoratky also assured his people that the long promised day of revolution in the United States is near. His discoveries are: "American visions of prosperity have disappeared. Alarm for the future is growing. Everything is in the hands of the trusts and the motto on coins should be changed to 'In Gold We Trust.' "

"The average American's faith in his economic system is thoroughly shaken," Boris Izakov, also in New York, agrees in *Pravda*. "Lack of confidence in tomorrow gnaws at America. The moral and political unity of the Soviet Union, the country of Socialism where economic perturbations are unknown, will inevitably grow in peace as it did in war."

The homefolks also were sup-

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plied with assorted cameos of UN delegates, as follows:

"James F. Byrnes, United States—a small, crabbed face, a blinky, tight, screwed-up face and the sense of his word is nonsense, but sinister nonsense.

"Senator Vandenberg, United States—inspiring his associates to an unbridled anti-Soviet campaign in the American press.

"Hussein Ala, Iran—a little adventurer.

"Van Kleffens, Netherlands—a bitter reactionary.

"Oscar Lange (the one-time American picked by Moscow to represent Poland)—a serious, charming and humane individual.

"Andrei A. Gromyko, USSR—his face is full of strength and he speaks always without anger but with logic and force."

"Laying the foundations for world peace and strengthening the young organizations of the United Nations are all due chiefly to the efforts and good will of the Soviet power," was *Izvestia's* New Year disclosure to its readers.

After a three months sightseeing tour of the United States, Comrade Malyshko returned to tell his fellow Ukrainians that he had been kicked out of the country where "the disinherited Indians, dying out from tuberculosis and exhaustion, live on mere patches of land and receive only $5 a year aid."

Reporter gives "facts"

TOPS among these Red tourists is Ilya G. Ehrenburg, Russian newspaperman, who by press, radio and platform is recounting his discoveries in the United States. What Ehrenburg tells Russia is tailored to the Kremlin's latest style. A few of his disclosures are:

"No four- or five-story houses are in the United States, but every provincial city has several skyscrapers surrounded by thousands of one-story buildings.

"American literature is the same, a few writers unmatched by any in western Europe and after them a vacuum.

"Democrats of the South prefer the knout to the primer. In Alabama, all school funds are released to the whites. In Mississippi, the whites often shiver when they think of the mass of destitute, embittered people who may be fed up with singing hallelujah in expectation of the regular hanging. Women in childbirth cannot have medical assistance. A doctor costs $60. But the slaveowners smile. We have no slaveowners.

"I talked to provincial Utopians

who go without food and sleep devoting their money and energy to the fantastic project of a 'world government.'

"The average American is convinced that he is independent, but in fact he repeats only what he has read in the paper, heard on the radio or seen on the screen.

"The iron curtain is fabricated in America in editorial offices of newspapers, in radio broadcasting stations and in offices of film producers. They prevent the average American from knowing what is going on in our country."

However, Ehrenburg also reports:

"We can learn much from American writers, American architects and even, despite the shattering cheapness of the average production, from American cinema producers."

Hardened against America

WHILE Ivan Ivanovich's heart bleeds for the oppressed masses in the United States, it also is being hardened against the country which, as he is told, is enslaving the peace-loving democratic nations of the world. Even the pseudo-Americans who write for Communist papers in this country refer to the United States as "our" enemy.

As Moscow dins into the ears of its people, only the Soviet Union can save Canada, Korea, Turkey, Indonesia, Iceland, Greenland, Iran, Arabia, the Polar regions and smaller countries from becoming colonies of the United States.

As also explained by *Pravda*, the World Bank and the 12 other world organizations in which the Soviet Union refuses to cooperate are merely bait to ensnare unsuspecting countries in the American colonial trap.

"Military expenses devour practically the entire national budget of the United States," Comrade Orlov broadcasts from Moscow. "Henry Wallace says his country is 'still arming to the teeth.'"

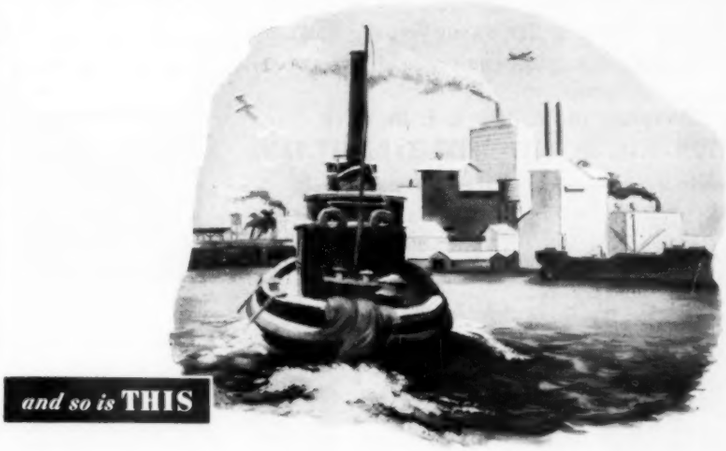
"American imperialism has come from the other end of the world to establish military bases, destroy our lands, eliminate democratic renaissance and kindle the fires of civil wars in Iran,"—again from the Moscow radio.

"America transforms China into its colony and a strategic military base," Georgiev, in the Ministry of Education, informs the people. "American industrialists have seized the rich country's economy. American capitalists have big oil concessions in Saudi Arabia, Leba-



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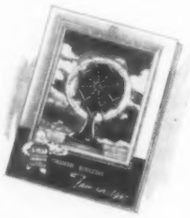


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non and Egypt, consider Latin American markets their exclusive reservation and interfere in the democratic regimes of Poland, Rumania and Yugoslavia. American democratic 'masses' are increasing their resistance to these attempts of reactionary capitalist circles to impose their will on the American Government."

"Americans who crossed oceans to appropriate the oil of Saudi Arabia conceal their imperialist aims by broadcasting slogans of culture and technical aid," Comrade Zabelin writes in the Red Army newspaper. "They ship money to the United States to spend on magnificent houses and clothes and leave the Arabs who could have built schools, hospitals and planes for themselves to live in tents."

"Bases in Greenland are intended to facilitate world rule by the United States and be within bombing distance of vital Russian centers in the Urals," Comrade Izakov writes, quoting Col. Charles J. Hubbard and columnists Hanson Baldwin and Joseph and Stewart Alsop as honest "statesmen" who admitted the plot.

"Americans are a threat to the peace of the World," Comrade Simonov broadcasts. "American imperialists intend to turn Greece into an American colony. American forces intend to land in Salonika with an initial 18,000 men, and the staff officers are already there."

Plot charges hurled

"THE true nature of the so-called 'equal opportunities' in Rumania of which American delegates prate in conferences are terrorist acts, provocatory pamphlets and reactionary plots against the people," Comrade Veneshkin expounds.

"American imperialists strive to establish their indivisible anti-Soviet domination over the entire Western Hemisphere and already have delivered 4,500 planes to Brazil," Comrade Kharev tells his readers.

"The broad masses of the United States criticize severely the moves of American militarists actually to annex northern Canada and to transform Canada's armed forces into hangers-on of the American war machine," gives Ivan Ivanovich some hope that all is not lost.

Such is the daily diet in the Soviet Government's forced feeding of its Ivan Ivanovich's and the other millions in its spheres of influence. It does not grow friends or admirers of the United States, though its cooks profess to be our friends.

It's Your Story—You Tell It

(Continued from page 49)

existence" boys will probably have burned all the books.

This is no idle challenge and the gauntlet rests right on the desk of individual management. If you are any part of management that means you personally.

You don't need any witch doctors or ouija boards to help you. You can make a pretty good start using the same everyday common sense strategy and tools you've used to tackle every other business problem that ever came up, especially your head. And keep your heart handy; this is a human problem.

As a starter why not try something simple. Grab a pencil and write down the three most important business facts, as you see them, confronting you today as you sit at your management desk. Suppose these three turn out to be:

1. That production efficiency per man hour has to be raised in your plant before you can make a profit or raise wages this year;

2. That if you could double your capital investment in buildings and tools you could treble the output, lower prices and raise wages;

3. That the public, beginning with *your* public, must understand and act on the new issue of retroactive portal-to-portal pay. And that to do that they must acquire the basic arithmetic of profit and loss production.

Now for step two. Having decided what you know and think about these things, toss out every assumption you have about what anybody else knows or thinks about them.

Get your facts in order and for practice try teaching them to your secretary. Then call in your company brass hats and see how far off the beam they are. Then go after the junior executives and the supervisory personnel. By the time you've enlightened them you'll be a surprisingly lot wiser yourself.

Then get the whole organization busy (and be sure you stay with the job) telling the facts of life to your own workers. Only make certain they're the real, hard, understandable facts and not bees-and-flowers platitudes.

Show how dollars work

TELL them what the company is doing—and what its competitors are doing. Tell them what the figures in the bookkeeping department are all about. Tell them what happens to a dollar when a customer buys one of the widgets they make. Tell them about the new dollars of capital you'd like to have from the stockholders to buy more facilities and tools—and show how many dollars it takes to make just one job in your plant. If it's $7,000, ask them how much "pay" they'd expect if $7,000 of their money worked in the business for a year. Tell them about "overhead," "depreciation," and the other "things that you can't see but which cost money" in running a business—only use simple words and pictures to do it.

You will be amazed at how new and interesting some of these things can be to workers (and the public) if they are explained to them. And some members of management seem even more amazed at the wrong assumptions their workers make when "little things" are *not* explained. Just for fun, sit down some Saturday night with somebody who has just worked six days for $40 or so and try explaining why it pays a company (and its workers) to spend $20,000 for one advertisement in the Sunday funny papers.

When you've got your own workers all squared around on some of the little things about your company and business in general that you figured they already knew, or didn't need to know, then tell your community.

Your place in your town

TELL them how much bigger you hope to make the place and about the new machinery you plan to put in it. Invite them to visit the plant and watch their friends make widgets. *More than half the people in this greatest industrialized and mechanized country have never been inside a factory.* Show a youngster an automatic screw machine in operation and you could charge admission to every other kid he will talk to for the next week—and a lot of their parents.

Just bear in mind that everybody in town is your company's neighbor, and your neighbor. They know who you are even if you don't know them. If you are a big shot in East Cupcake they gossip about you more than anybody else. Give them some *facts* to gossip about. It's an honor to be talked about in the old home town. And it's a good way to get people to agreeing with some of the facts of life as you see them.

If you're one of the nation's "little business men" with only a handful of employes, so much the better. There are several million fellows your size, each with a big stake in keeping the public intelligently informed on what makes



"So I said to myself, 'If I have to sell pencils, why sit on a dirty old sidewalk?' "

the business system tick. What's more, you're a lot closer to the grass roots of the system than are a few hundred "big business men" who are usually looked on as the "spokesmen" of management. You are just as important a spokesman for management, and you have the added advantage of being able to talk man-to-man with your workers, your neighbors, and the boys at the Midtown Bar and Grill.

You don't have to use dead, inhuman words like "labor," "equity ownership," "index numbers," "trends," and "factors." You can talk about labor in terms of Pete Jones—and you can talk to Pete himself. You can talk about productivity, real wages and the cost of living also in terms of Pete and Joe and yourself—and what your wives can buy and can't buy with the dollars you get. In fact, you and your neighbors (the public) could practically cover the whole field of "capital," "management," and "labor," working together in a "free economy" without ever using a single four-bit word—if you put your mind to it.

Management can reach down

ALL of this sort of thing simply highlights another joker in this whole management-labor hullabaloo, which is that so-called BIG management "can't" do any of this man-to-man kind of discussing the facts of life about how we live and work together. This is just another one of those unwarranted assumptions we drag around with us. As long as the worker can talk to the foreman, the foreman to the super, and the super can find the office of the Bull-of-the-Woods, then management doesn't have to be separated from labor. There are enough big companies with good human relations to prove this is so.

What is needed first in laying this one by the heels is to chuck all the nostalgic lamentations about the good old days when the boss knew everybody by his first name. So what? Joe Worker is a lot better off now than he was then—works barely half as many hours, a lot less strenuously, has more tools, better working conditions, has a long list of benefits, and gets several times as much money for it. If, along with all this, his management will just have the common sense to treat him like an intelligent individual with pride in his work and self-respect as a man, he'll forego the doubtful pleasure of having the boss call him Joe.

The crux of the trouble is that so many of the big bosses are so busy with "more important things" that they have delegated the job of human relations with Joe to others. The same "solution" has been applied to the company's relations with its stockholders, its customers and with the public generally.

Of late it has become the tendency of management to dump all of these human relationships into a grab-bag department labeled "public relations," and to assume that somebody there can and will solve all of the problems that arise by means of the right publicity.

No formula for people

THIS flies in the face of the age-old fact that no inanimate mechanistic formula ever yet solved a "human equation." *It still takes people to deal with people.*

Which is not to say, on the other hand, that the average company executive or his staff and line management team can step right up and neatly handle all these detailed human relationships that fall under the loosely used heading of public relations. This whole function, in terms of a sizable business organization, has, under the complexities of recent years, become both an art and a science in the practice of which the average, busy, specialized management executive is of necessity a neophyte.

But the best ones will also recognize that simply hiring the necessary "experts" to help handle their public relations does not relieve top management of the job. If you are the big boss, you're still the policy maker and the fellow who speaks for the company. Your spirit, interest, understanding and enthusiasm have to animate the personality which your public relations can only help you build. Otherwise, it will be an artificial, insincere corporate personality at best and it will be a flop.

You are the star. Either you stay in the act or the show will suffer. But if you stay in there and put on a good show, you'll soon see how fast your associates, from the vice presidents right down through the foremen to the workers themselves, want to get in the act.

You're too busy? Just what are you doing that's more important than unscrambling your share of this mess of public misunderstanding about our business system which encourages $3,000,000,000 in portal-to-portal lawsuits to be filed in two weeks?

Obviously, you personally can't explain everything that needs explaining to every one of your workers, stockholders, customers and to your share of the public. But you personally can see to it that this highly important job gets done and done thoroughly.

It bears repeating that, unless you individually inject your own feelings and personality into your company's human relations program, the program won't have much personality and it won't be very human. "Company policy" is pretty cold, corporate stuff unless the men who originate it and carry it out really put their hearts into it.

Of course, any such humanized program is liable to get you involved in a lot of press conferences, company house organs, speeches, and personal appearances, which interfere with making and selling widgets.

But maybe that's just another assumption. Many a company has discovered that a good public relations program inside and outside can help produce and sell a lot more widgets. If a little more of management's time and energy spent on the details of good human relations could have saved even one per cent of the money and man hours lost last year through bad human relations, the investment would have been a whopping bargain.

But then, perhaps your company wasn't one of those which had a strike, and probably your employes and stockholders and other publics are better informed about how your company contributes to the economic well-being of the country, so there isn't much you need to do about it.

George can't do your job

THEN too, your trade association is supposed to take care of that sort of thing. That's what you give them a check every year for. That's fine, and they probably spend it wisely in a national sort of way.

But the fact still remains that in East Cupcake *you* are the spokesman for this intangible embodiment called management. *You* are Mr. Private Enterprise. *You* are the fellow the boys in the barbershop talk about when the newscaster gets through describing labor-management struggles of the day.

Mr. Management, the next time you hear that same kind of newscast and start to demand of nobody in particular why somebody doesn't do something about it—just step right up to the mirror and meet somebody who can do something about it.



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181-6

Germany Is Our Peace Frontier

(Continued from page 46)

shadowed the European scene—in 1870 and again in 1914—and once controlled the entire continent, as in World War II, cannot be dismissed, even in ruins. I found Germany more impressive in ruins than many undamaged nations.

Appreciating Germany's strategic position on the continent, recognizing her future potential and needing her know-how to complement her own deficient and primitive industry, Russia has spared nothing to bring Germany within her orbit. At first, the Germans were subjected to force and intimidation but, when brutality reached the point of diminishing returns, Russia turned to persuasion, propaganda and political penetration.

On the eve of last fall's Berlin elections, Russia distributed 1,000,000 cigarettes—a buy-off to win the good will of a people who had lived 18 months on a cigarette-butt existence.

Her best efforts have failed, however, and Russia apparently holds the United States largely responsible. She finds innumerable ways to belittle us and damage our prestige with the Germans.

Her soldiers drive headlong through the American zone in Berlin, flaunting the speed limit. For a time, they challenged our authority by parading through the American sector, jauntily displaying firearms. We finally stopped that by arresting them and returning them to their own sector next morning—minus their firearms.



EUROPEAN

Berlin's election was on the level. Party poster that beat the Reds

As a further mark of unfriendliness, they spy on us continually. A charwoman was offered 1,000 marks to turn over to the Russian secret police contents of wastebaskets from an American office building. Germans who work for us but live in the Russian zone of Berlin have been subjected to every pressure to spy on their employers. It has become so bad that our military authorities have debated whether to fire German employes living in the Russian zone, or require them to move to the American zone.

These tactics have tried the patience of our Occupation officials. One officer who had fought in the Battle of the Bulge summed it up neatly:

"It was lots easier during the war. Then we had enemies and knew who they were. Now—we have allies."

Of course, a few Americans believe that the way to get along with the Russians is to accede to their will and evacuate Germany.

But to the vast majority of Americans such a suggestion is preposterous. It is inconceivable that we should lend our strength and blood to liberate Europe from one dictatorship, to turn it over supinely to another.

Position of Western Europe: During the war it was widely assumed that Europe would "go Communist" once Nazism was crushed. Instead a new resistance movement has sprung up. Aimed at Communism, this movement is every whit as tough and effective as was wartime resistance to German Occupation.

The strength of the movement was impressed on me at the height of last fall's crucial municipal elections. I was convinced that the vote would be fair because I had sat in on one of the quadri-partite conferences when the four-power inspection teams were organized.

Touring Berlin with a German driver, I was impressed by the vigor of the Communist campaign. Everywhere posters of the Communist-sponsored SED party predominated. At SED headquarters a loud-speaker blared out across the spacious plaza, alternating plugs for SED and songs. A 15 foot dancing bear, made of cloth, topped the pedestal of a monument that had once supported a horse-borne Prussian general. A huge billboard proclaimed the blessings of the land confiscation program in the Russian zone. The front of the headquarters bore giant portraits of the SED candidates. One, a woman, was sketched with an infant in her arms.

"From all this, I should think the SED has the election in the bag," I said to the driver.

"Well, I don't know," he said. "It's the ballots and not the posters that count." Two weeks later, the Communists were decisively rebuffed.

In other sectors of Western Europe—France, Italy, Belgium, Hol-

land, Bavaria and wherever men are permitted to express their views freely at the polls, this new movement of resistance has passed beyond the "anti" stage. Everywhere it began as a movement of negation—of opposition to the totalitarian concept. Its early leaders were drawn from the wartime resistance groups. But as these patriots consorted in liberated politics, they found they all had certain fundamental beliefs in common. These beliefs crystallized into a positive movement.

Columnist George Slocombe has tagged it the doctrine of humanism. In France, it goes under the banner of the Movement of Popular Republicans (MPR). Elsewhere it is generally called Christian Democratic. Its program lies between that of the New Deal and of England's Labor Government.

The rise of the Christian Democrats has a special relevance to our mission in Europe, and Americans must not ignore its importance. Without it, the red flag—or a reasonable facsimile thereof—might well be flying today over every public building in Europe. Under such conditions, our position in Germany and Western Europe would be as intolerable as is our present position behind the Iron Curtain.

To renege on our present commitments in Germany would weaken this movement to the point of collapse.

U. S. Vital Interests: Some may ask: What difference does it make to us if Russia takes over Western Europe?

The answer is this: Russian domination of Europe today would threaten our position in the world.

For one thing, our commercial relations with Europe would be severed as sharply as if a state of war existed. American business could expect the same treatment in Western Europe that it is receiving at Russian and satellite hands today in the Balkans.

Let me cite an example: In December, 1945, Pan American World Airways sought landing rights in certain Balkan cities. A planeload of Pan American technicians and representatives was certified to fly from Vienna, via Budapest, Belgrade, Bucharest to Istanbul.

At the last moment, Soviet officials in Hungary, Yugoslavia and Rumania refused to allow the plane to land.

After interminable bickering, the survey of these cities had to be canceled and the Balkan route abandoned. It was evident that Russians did not want American planes to fly farther east than Berlin, Prague and Vienna.

Russia is otherwise excluding American interests by obtaining exclusive concessions from industries in satellite countries. In aviation, oil and various basic industries behind the Iron Curtain, Russia is organizing joint USSR-satellite companies on a 50-50 stock-ownership basis, with monopolistic concessions.

Aside from commercial aspects Russian domination of Europe would make a profound strategic difference to us.

With France and Holland under its wing, Communism would have entré to their empires in Africa and the Far East. How could Spain hold out with Stalin glowering across the Pyrenees? With Spain, Italy, Greece and the colonies of North Africa under Russian domination, the Mediterranean would become a red sea.

Where would this leave Britain? Her lifeline to Empire would be severed. The English Channel would become more and more a moat with each advance in warfare. England might have no alternative but to compromise. Already her working people are grumbling: "Why don't we get out from under the thumb of America and get along with the Russians?"

If Russia could chase us out of Europe by bluffing and making faces, she would undoubtedly try the same tactics in Asia.

This raises the specter of encirclement and isolation of the United States. It is one thing for us to choose isolationism of our own volition. It is another to have isolationism forced on us.

American Attitude: Americans may agree abstractly, and as a high matter of policy, on the necessity of continuing the German occupation. But Congress will determine that policy in terms of cost.

Congress will be tempted to trim lightly on rivers and harbors, flood control, rural electrification, aid to farmers and veterans and other pet plants with strong domestic roots; and to turn the shears instead on the German Occupation.

Congress can find in Germany many a twig that is ready for pruning. I noticed a few myself. It was my impression that far too much gasoline was wasted on pleasure driving. I was impressed also with the sumptuousness of Army-operated bars and whoopee joints. For instance, opposite Truman Hall in Berlin, 30 German stonemasons labored three weeks to build a miniature golf course.

Prune as it may, however, Congress may find that its economies are negligible. The bulk of Occupation expenditures go, not for upkeep of our military forces, but rather to sustain the German people's minimum needs. Congress will undoubtedly stumble on the fact that expenditures cannot be reduced materially until Germany gets some semblance of economic unity to care for her own minimum needs out of her own efforts.

The basic difficulty is that Germany was drawn and quartered among the four Powers at Potsdam. The result is about what might be expected if the United States had suffered a similar fate—if New York were denied the coal of West Virginia; Chicago denied cotton from the South; Atlanta, lumber from the Far West; New England, oil from Texas.

Of course, the economic unification of the British and American zones will help some. But real unification cannot come without Russia's cooperation.

Quite aside from questions of cost, however, Congress may be swayed to the let-'em-stew theory by moral and other considerations. I refer specifically to recent charges of misconduct on the part of American uniformed and civilian personnel.

But Congress should be slow to generalize in this matter. Though there are some individuals to criticize, there are many to praise. There are MP's who are performing tedious and dangerous duties with tact and understanding. There are senior officers, many with years of distinguished service.

In short, it would be regrettable if Congress should permit its inquiry into the Occupation to degenerate into Army baiting.

Some of the unwarranted taunts that have been hurled at the military have already embittered and impaired the efficiency of some of our best officers and men overseas. Even the Germans are beginning to note the dents we ourselves have made in our brass hats.

No Quick Solution: This is admittedly a glum picture of the Occupation. But occupations are messy businesses, even at best—and even for the victors. If we must be optimistic—as Americans so often must—we can at least say that we are doing a better job than the British, French and Russians.

The sensible approach, it would appear, is to recognize the difficulties, analyze our mistakes and try to correct them. We must do a better job—not just walk off in disgust.

The Highway Is Part of the Car

(Continued from page 52)

the first era of road-building—an era that began at the close of World War I and ended at the beginning of World War II. Now we are on the eve of the new era in road-building—an era that should out-dimension anything that has ever taken place in our history.

"The first era served well in getting the country out of the mud and, in a manner, connected up the centers of population.

"The new era will deal with supplying the highway facilities that will meet adequately the demands of traffic—that will relieve the points of congestion—that will reduce the cost of transportation and communication, and thus reduce the outlay for production which will cost between $16,000,000,000 and $20,000,000,000."

This second era promises billions of dollars of business for those outside the highway construction industry, according to PRA studies. For every dollar spent on road-building, $3.15 is created in secondary business. Thus this year's $1,000,000,000 should motivate $3,150,000,000 in other business.

One PRA analysis of $100,000,000 spent on road-building shows this division: equipment, $19,020,000; job labor for surfacing, grading and structures, $24,390,000; materials, $33,480,000; and equipment operation, transportation and miscellaneous, $23,110,000.

Still another check by PRA on where $100,000,000 in road money goes produced this picture:

Plant and equipment, 18 per cent; transportation, 17; cement, 9; quarrying, 8; retail trade, 7.6; iron and steel, 7.6; insurance and taxes, 6.4; wholesale trade, 4.5; petroleum products, 4; "all others," 18.

This "all others" includes manufacturing, mining, power, development, agricultural products, rubber, and non-ferrous metals.

Similarly money spent on roads fans out to create employment. Surveys show that for every man on the job there are 2.2 men behind the lines.

This year on-the-job road-building employment should return nearly to prewar levels, which ranged around 2,000,000 annually in good years. The industry, however, is not getting as many men for its money as it used to. In the 1930's an average of 100,000 men were employed for every $100,000,000 spent. Today the estimated figure is 62,470 for each $100,000,000. The decline is attributed to higher equipment and materials costs, increased wage rates and less efficient labor.

Taxes pay for roads

THIS leads to the question of where the money for highway construction comes from. The answer is from many sources, but largely the federal Treasury.

The latter is made possible by the Federal Aid Highway Act, which authorizes expenditure of $500,000,000 annually for three years, to be matched 50-50 by the states. A state has to spend its share for a particular year by the end of the next year. The final deadline is July, 1949, under the present act, but the industry is pressing for its extension.

If 1947 finds $1,000,000,000 spent on roads, two thirds of it will be spent under the federal setup and the rest will come from bond issues and other sources.

Basically, it is the motorist who pays. To what extent is shown by the 1941 figures, which add up to $2,150,202,000. State registration fees brought $511,240,000; state gasoline taxes, $947,000,000; municipal and county taxes, $16,000,000; federal highway user taxes, $562,962,000. In addition, there are personal property taxes and tolls.

Tolls, incidentally, are becoming a more favored financing device as the result of Pennsylvania's experience with its 160 mile, seven-tunnel turnpike. Finished shortly before the war, this master highway was built with a Public Works Administration grant of $29,250,000 and a $40,800,000 bond issue. Thus financing was at the rate of $437,000 a mile.

Many highway engineers were dubious of the toll method of financing, but the time, trouble and gasoline savings the highway affords were so attractive to motorists that, in its first year, the toll takers collected $2,406,571. This was a return of 6.4 per cent on the loaned portion, which had been financed at 3.4 per cent.

Cars help buy highways

BUT toll aside, if you buy a car with a manufacturer's list price of $1,000, it will cost you roughly $125 in taxes of various sorts to own and operate it during the first year.

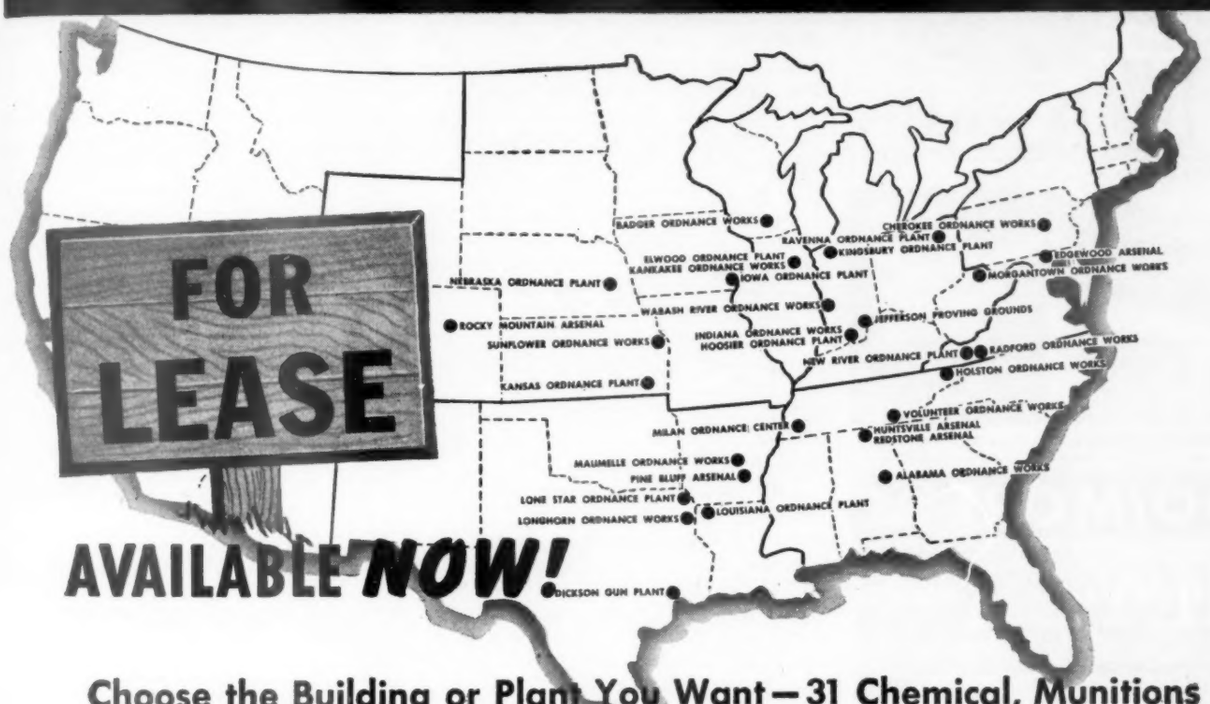
Albert Bradley, General Motors Corp. executive, explains that on a car so priced, the buyer pays about $73 in federal excise taxes, in addition to state or local sales taxes, if any, and the registration fee. If he drives it 9,000 miles in the course of the year, using about 600 gallons of gasoline, and buys one spare tire and tube, he pays approximately $12 more in federal taxes. Meanwhile, state imposts on automobile operation average about $40 a year per driver.



It all adds up to a lot of money. The highway construction industry, as well as those closely aligned with it, complain that much of this money is being wasted through improper planning and spending. Motorists are not getting what they should in the way of roads for their money.

One thing they will aim at in fighting for reforms is better apportionment by states of highway user tax revenues to subdivisions. The National Highway Users Conference contends that much of the $2,800,000,000 apportioned from

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These plants, which include complete shop and repair facilities, office buildings and utilities, were formerly used for production of oleum, nitric acid, ammonium nitrate, concentration of nitric and sulphuric acid; guns, pyrotechnics and similar items; ethylene, carbon-monoxide, phosgene, formaldehyde, hexamine and chlorinated liquid and gaseous products; carbonyl iron, paste products; fabricated wood and textile items; chemical production and reduction operations.

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This information is not intended for use as a basis of negotiations. The Corps of Engineers reserves the right to reject any or all proposals.

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SOUTH ATLANTIC DIVISION
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1114 Commerce Street
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1934 to 1943 was wasted. Because of local pressure or political influence money reportedly is spent on roads having little traffic or on segments that are not linked together. Some money is said to go to communities that do not need it.

Another thorn in the industry's side is diversion of state highway user tax revenues to uses other than road construction. So far the legislatures of 19 states have earmarked this money for highway use only, but the industry will continue to campaign for similar action by all 48 states.

Above all, however, the industry and its associates want a planned, long-range highway construction program, produced by both the states and the federal Government.

The Federal Aid Highway Act annual appropriation of $500,000,000 provides on a matching basis $225,000,000 for state aid, $150,000,000 for farm-to-market roads and $125,000,000 for city streets.

The industry shudders at the prospect of another WPA-type road-building program. It claims the last one practically amounted to throwing the $4,000,000,000 spent down a sewer and produced a crazy-quilt piece of road-building because projects were chosen where relief labor existed rather than where need was greatest. Another fault found is that lack of planned projects made it necessary to select those that could be started immediately rather than those which could be fitted into an overall improvement program.

Project need cited

WHAT is being urged now is an accumulation of ready-to-let projects for use in event accelerated highway construction is needed to take up an employment slack. For the present, however, the industry is concerned mainly with its immediate problems.

Ahead lies the biggest business they have ever dreamed of—the money for it is in state and federal coffers but they are having trouble going after it.

Many states that need highway construction and have money to pay for it—accumulated during war years when they could not spend it—have no plans ready. This is largely because state highway departments are understaffed due to low salary rates. Highway engineers' salaries in 44 states averaged $7,106 in 1929 and average $7,400 in 39 states today—a five per cent increase.

Strikes and war-accumulated demands have caused shortages of road-building materials, especially steel. The contractors complain that they are paying more than before the war for labor that is not as efficient—when they can get it.

In a number of cases bids for jobs have been rejected as excessive. Yet the contractor, caught among bottlenecks and squeezes, figures he has to play safe. If he figures a job at so many feet a day, allowing for bad weather and other unavoidable obstacles, and his men do not show up for work or materials deliveries are late, he falls behind. Many contracts carry penalty clauses for tardy completion.

Working against time

THE road builder by necessity is a gambler, working for big stakes and betting against time. Obliged to gamble with him is the manufacturer of the equipment he uses, who must work against delivery schedules that can cause tremendous losses if not met.

Today the manufacturers, feeling labor strike effects, are working full blast, striving to run plants night and day. Still orders are backlogged by an average of at least a year.

While hounded for deliveries by domestic contractors, equipment makers also are besieged by foreign purchasing agents. Exports have been averaging between ten and 25 per cent of production.

The industry has been so busy trying to meet demands for such standard equipment as tractors and scrapers that it has not got many new models past the drawing board stage. This is one reason the ARBA's first postwar "Road Show," traditionally the world's greatest exposition of construction equipment, will not be held until next February.

Incorporating improvements resulting from manufacturers' wartime experience, this new machinery promises speedier and more economical highway construction. When these behemoths make their debut in numbers, they will pop the eyes of many a roadside kibitzer.

One of them, an earth-devouring device with a 54 inch conveyor belt, did this not long ago on construction of the new Shirley Memorial Highway in Virginia. It piled eight big trucks that trailed it full of dirt in about the same time it takes one to fill his pipe.

Other pieces of equipment have been and will be used on huge highway projects in this country. These include a contemplated Detroit-Chicago superhighway, a 300

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mile highway up the west bank of the Hudson River from New York City to Albany and then over to Buffalo, the Maine turnpike from Portland to the border, extension of Connecticut's famous Merritt Parkway from New Haven to the Massachusetts border, the new Washington-Baltimore highway, and others.

Irked by present problems, road builders nonetheless are rolling up their sleeves for this second and greatest round of American highway development. Meanwhile, however, they are not forgetting smaller jobs. For instance, you have heard a lot from Washington about stabilization of various types, but the highway builders will tell you about a new kind they have devised—road stabilization.

Economically within reach of nearly any community, this type of process involves the use of machines that scrape the top off a road, mix it with asphalt, calcium chloride, Portland cement, or other substances and then re-lay it so that it dries rapidly.

This device is effective on roads with light traffic and spells the long overdue doom of that irritating problem, the dusty farm road.

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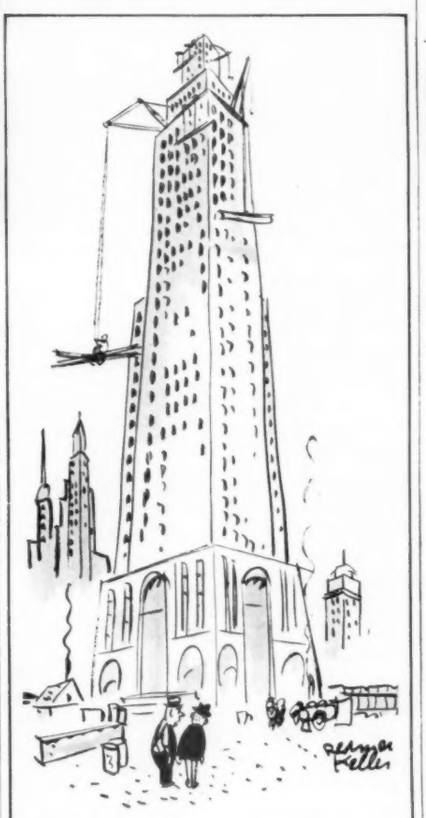
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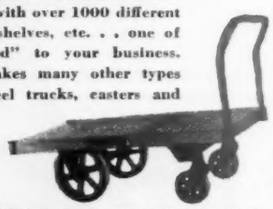
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Look What's in the Temple Now

(Continued from page 40)

ting them. Obviously this is no longer necessary but, nevertheless, the corporation is busy. One of its activities, for example, is helping Germany's non-war agencies get back on their feet.

Future use of RFC

ONCE all these things are sorted out, it will be possible, the Committee believes, to determine how, if at all, this agency can serve in the future and what its powers shall be.

In a speech a few weeks ago, George E. Allen, since retired as a member of the RFC board, suggested that the agency might find a useful field in helping American business men in world trade. I have no doubt that it can find many ways, and will, to justify its future existence. One wonders, though, just what the Export-Import Bank, now an independent agency, and the World Bank, creature of Bretton Woods, are to do.

When he resigned, Mr. Allen submitted a report to the President on streamlining the agency to meet peacetime conditions. His operation, apparently, would be limited to lopping off the corporations having to do with the war. This will be done.

But by implication, RFC's lending authority would be continued in its present indefinite state. That, however, is the core of the problem of the agency's future.

A highly controversial feature will be its practice of blanket participation in bank loans to the extent of guaranteeing them up to 75 per cent. For this service it charges three fourths of one per cent. It has signed up about one third of the country's banks on this arrangement.

The practice has come in for some sharp criticism by bankers who ask just how long this can continue before there is agitation to do away with chartered banks. The question arises as to why a banker should be permitted to charge interest for a loan when he is assuming no risk.

The practice is also regarded as inflationary, because, with RFC taking the risk, the banker may become careless in making loans.

On the other hand, proponents of the practice contend that the small banks do not want to be thrown on the mercy of the correspondent banks to whom they have to pass on parts of loans which they cannot handle. The practice is defended on the ground of "promoting small business."

The American Bankers Association claims to have established regional credit facilities to take care of big loans.

A further question will be whether the agency should not be permitted to make, within definite limitations, loans which banks might consider too risky but which are of a public service nature, and which anticipate eventual stability of the borrower.

There is feeling in Congress that RFC should be stripped to a standby agency so that, in the event of another emergency, it could be quickly expanded.

I think that one thing for the bankers to consider is whether we are to have part private enterprise and part government banking. These two things do not go well together, and it is a lesson of history that when that program is tried, the Government eventually takes complete control.



"Terrific! I'll take it!"

Caribou and Its Spuds



THERE are few citizens in the U. S. A. any prouder of their town than the folks of Caribou, Maine. Although it only has a population of 10,000, it has been shipping more potatoes than any other town in the world for some time, and now boasts of the largest potato alcohol plant on the globe.

The stuff you put in your car in the winter to keep your radiator from freezing—that once may have been a Caribou potato.

When the baseball star gets a liquid rubdown so his muscles will perform better, there's a reasonably good chance that he will owe his added nimbleness to a Caribou potato.

And if the nip that you take from a bottle tastes differently, but pretty good—that, too, may be due to Caribou spuds.

Potatoes make alcohol

THE name of the Caribou potato alcohol plant is E. H. Clarke, Ltd., and since it came into existence last spring, has been turning 5,000 barrels of potatoes a day into thousands of gallons of alcohol.

It's a fascinating process.

The potatoes are dumped onto a conveyor belt. The belt carries them into a hopper that in turn takes the potatoes to a huge washing machine capable of washing 300 barrels of spuds an hour. Here all dirt is removed.

Next, the potatoes go into another hopper that can handle as many as 30,000 pounds. From there they go into a trio of steam cookers, each of which also can hold as many as 30,000 pounds. In other tanks malt is being weighed and mixed with water prior to being mixed with the cooked potatoes. And in still another tank yeast is being made for use in the fermentation process. A full tank of yeast is required for each normal day's operation.

Usually, after an hour's cooking, the potatoes are ready to be mixed with the malt and yeast in a fermentation tank where the mixture stays from 32 to 38 hours. Five such tanks, each holding 42,000 gallons, are filled at the rate of one and a half tanks per day. After proper fermentation has taken place the liquid proceeds to separation tanks where the impure alcohol is taken from the high grade mix. The alcohol then is ready for the storage plants.

Something else besides spuds goes into this plant—speaking even more materialistically. U. S. Internal Revenue men do, too. A total of nine men cover the plant, working in shifts. The taxes at a potato alky plant are so vast—about $86,000 a day—that revenue men are required to be on duty at all times. The operating manager cannot open a locked door to a storeroom or remove a padlock from a valve except when a revenue man is on hand to observe the operation.

Caribou citizens are still proud of the fact that their little town ships more potatoes than any other in the world (last year 5,296 carlots of potato shipments went over the rails from Caribou). But it's the potato alcohol plant that has caught their fancy.



As one Caribou resident recently put it: "I won't feel so bad, come income tax time, when I have to shell out my few bucks to Uncle Sam. I'll just think of the potato alcohol plant. Imagine having to put out $86,000 a day. Wow!"

—HAROLD HELFER

YOUR INVENTORY

+

OUR WAREHOUSE RECEIPTS

=

A BANK LOAN

Read how it's done—by Douglas-Guardian—*without moving inventory off your premises.*

Any inventory that is marketable is acceptable as security. The amount you borrow is limited only by the value of your inventory.

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50 Broad St. New York 4, N.Y. or 300 Montgomery St. San Francisco 4, Calif.

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Reading for Pleasure or Profit...

"Getting Along with Unions"

By R. L. and Elizabeth B. Greenman

HERE is a brief, valuable guide for business men who must deal with unions. The negotiator for management, this book makes clear, must have facts to protect his business. "Getting Along with Unions" (Harper, 49 East 33rd Street, New York; $2.50) tells him what facts to obtain, and how to use them.

Never employ an outside expert for labor negotiations, the authors advise. You know your own plant best and should present your own case. Long before a dispute is likely to arise, prepare your argument. Consult the foremen. Get information from neighboring employers on wages and working conditions. Keep up to date on wage rates in your industry through the Bureau of Labor Statistics.

When negotiations begin, let the union talk first. Find out which demands are feints and which are serious. If deadlocks ensue, call in the Conciliation Service (these authors recommend it highly), and be frank with the conciliator —he will keep your secrets.

In case of strikes, "Getting Along with Unions" advises you to keep a record of lost sales and depreciation, to use in future bargaining. It is most important, the book says, to memorize the Wagner Act, with its recent interpretations, and obey it religiously.

R. L. Greenman, who gives this advice, is personnel director of the General Cable Corporation.

"U. S. Camera 1947"

THE camera annual presents, as usual, a striking record of the year's news. In this one there are telling shots of Bikini, Nuremberg, the black market, fraternization, strikes, radar, UN—along with assorted riots, murderers and bathing queens.

Extremes make news, and these photographs are of extreme situations. Everything, too, looks bigger, louder and harsher than life. Catching passions at their height, the news camera makes even the mildest situation seem violent, as it would not appear if we were there to watch the natural build-up of feelings. Seeing all these news photos at one time, you sometimes come to believe that 1946 was one long scream.

Quieter is the second half of "U. S. Camera 1947" (Duell, Sloan and Pearce, 270 Madison Avenue, New York; $5.75), devoted to photography as an art. The text includes specifications of camera, lighting, etc., used in each picture, for the information of photographers. The compositions this year are especially novel and imaginative—with few of those standard studies of dull-textured snow and machinery and mountains which make some art-photography so dull. Notice one street scene, taken in ruined Warsaw by John Vachon, a rich, complex, moving, masterful picture.

"The Strange Alliance"

By John R. Deane

MAJOR General Deane headed the U. S. military mission in Moscow from '43 to '46. "The Strange Alliance" (Viking, 18 East 48th Street, New York; $3.75) reports a disturbing view of the Soviets, seen from this vantage point.

No "vodka visitor," Deane stayed sober through interminable toasts of friendship and kept his eye on how the Soviets really did business. Trying to arrange the essentials of wartime cooperation—shuttle bombing, radio communication between the allies, exchange of intelligence and weather reports —he was again and again put off, rebuffed, frustrated. The Soviets' distrust of foreigners, whether policy or pathology or both, made their promises untrustworthy, and our aid inefficient.

Two things were certain: that Russia would abuse our friendship (as in obtaining lend-lease materials, under false pretenses, to use after the war); and that everyone, no matter how fast a friend before, would automatically turn against the Americans if official policy required. ("When it was

'Kick-Americans-in-the-Pants Week,' even the charwomen would be sour.")

Deane advises formidable defenses for America, but also puts faith in the Russian people, who may, he thinks, finally revolt.

"Letters from Lee's Army"

THESE long letters, a correspondence between Captain Charles Blackford and his wife during the Civil War, are superbly written—as letters commonly were in the days when men of action and affairs still read the classics.

Blackford, a Lynchburg lawyer, took part in many of the great Civil War battles—Bull Run, Fredericksburg, Gettysburg, Chickamauga. He and his wife saw the whole southern disaster, from the magnificent gaiety on the eve of war to the final looting and starving. Theirs is a Gone-with-the-Wind story, but told unsentimentally.

Young Blackford himself was a southern aristocrat of the best kind, obeying a strict, chivalrous code, which allowed free play for humor and tolerance. Reconciling courage with delicacy of feeling, he was tough, high-spirited, and vitally aware of the southern heritage. He had also—ahead of his time—a fine, ironic sense of history; while still fighting for the Old South, he half-knew that it was doomed and outdated, and his descriptions are the more subtle for this insight.

"Letters from Lee's Army" (Scribners, 597 5th Avenue, New York; $3.50), compiled and privately printed by Mrs. Blackford in 1894, are now made public for the first time. They will be a major monument to the Lost Cause, and priceless to scholars and amateurs of the Civil War.

"Uneasy Terms"

By Peter Cheney

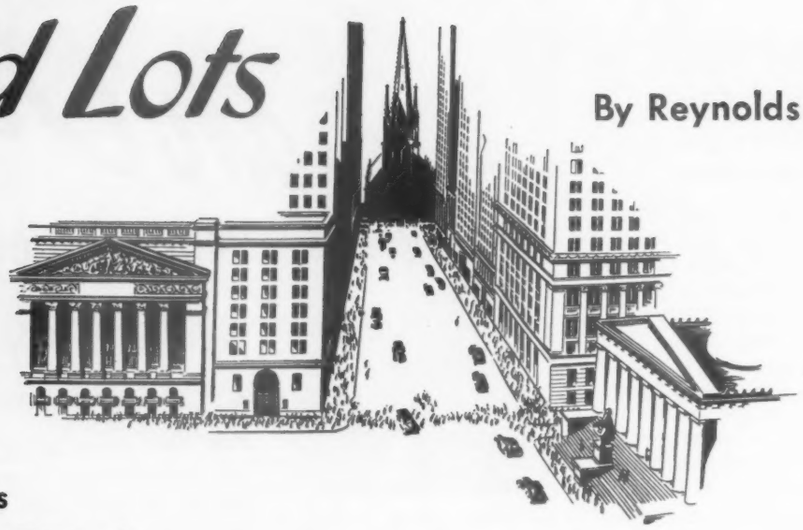
THE good intentions of Mrs. Stenhurst of Dark Spinney cast a shadow of death over the three beautiful Allardyse girls and their stepfather. With the unwelcome advent of Slim Callaghan, criminal investigator, the shadow deepens to conceal an adroit murder. Inspector Gringall follows Slim on the intricate trail of the killer to a smashing climax.

"Uneasy Terms" (Dodd, Mead, 432 4th Avenue, New York; $2.50) has everything. It is a fine example of the impact of Hollywood on Mayfair—Dashiell Hammett with a British accent.—BART BARBER



Odd Lots

By Reynolds Girdler



The Morgan Desks

MINOR corporation officers who work in Manhattan's mid-town area may favor offices ornamented with leather chairs and glass-topped desks. Not so the partners of Morgan, Stanley & Co. Morgan partners work together in a big, simple rectangular room. Each is seated behind a big, old-fashioned roll-top desk. These high and wide desks are ranged along each of the long sides of the room, are spaced some ten feet apart. Partners of Brown Brothers Harriman, private bankers, use similar desks similarly arranged. Actually the practice is sensible and efficient. But, as a Hollywood reporter might say, it fairly reeks with dignity, austerity, tradition.

★ ★ ★ ★ ★

Caution Light

THE PAST 15 years have brought many changes to Wall Street. But nothing dramatizes these changes as much as the Stock Exchange advertising campaign now running in some 300 newspapers.

Once the Stock Exchange frowned on advertising. Its strict rules limited member firms to little more than card announcements giving the firm's name, address, memberships and wire facilities.

The motives behind these regulations were the purest. The then governors were trying to act in the public interest. They feared that advertising—this new, powerful tool of business—might bring people into board rooms who had no business there. But the net result of this negative reasoning was largely to make a mystery of the Exchange, a mystery which Wall Street's enemies were quick to explain in their own words.

Today the Stock Exchange has boldly seized the problem in both hands. In attractive ads (illustrated) it firmly cautions people to get facts before they buy securities. Current surveys prove that hundreds of thousands of people are both surprised and pleased at these Stock Exchange warnings, and that readership of the ads is well above average.

Boss of the whole campaign is Emil Schram, whose decision is final on copy and policy.

★ ★ ★ ★ ★

New Church

WALL STREET is getting a new church. Materially aided by a non-sectarian finance committee (and somewhat impeded by the usual sidewalk superintendents) the Church of Our Lady of Victory is rising at Pine and William. This is the site made famous (we almost said hallowed) by the little red brick building of once-mighty Harris Forbes. The new church will serve the Street's large Catholic population. But the men who are raising the money are of all faiths, which is certainly nothing new to Wall Street. So to the familiar chimes of Trinity will soon be added the sombre bells of a church which memorializes the victorious ending of man's most sombre experience—war.

★ ★ ★ ★ ★

Deep-Think Piece

DEEP THINKERS in all types of financial institutions throughout the U.S. are now studying a weighty document recently issued by The First Boston Corporation. The document bears a weighty title: "The Impact of Business Requirements on Interest Rates." It consists of 35 pages of text and 14 additional pages of tables and charts.

Chief conclusions of the ponderous study are three:

1. Interest rates are not likely to change much over the next decade;

2. Business, now largely financing itself, will need to borrow only at the rate of about $2,000,000,000 of new money annually;

3. Much of the price inflation is behind us.

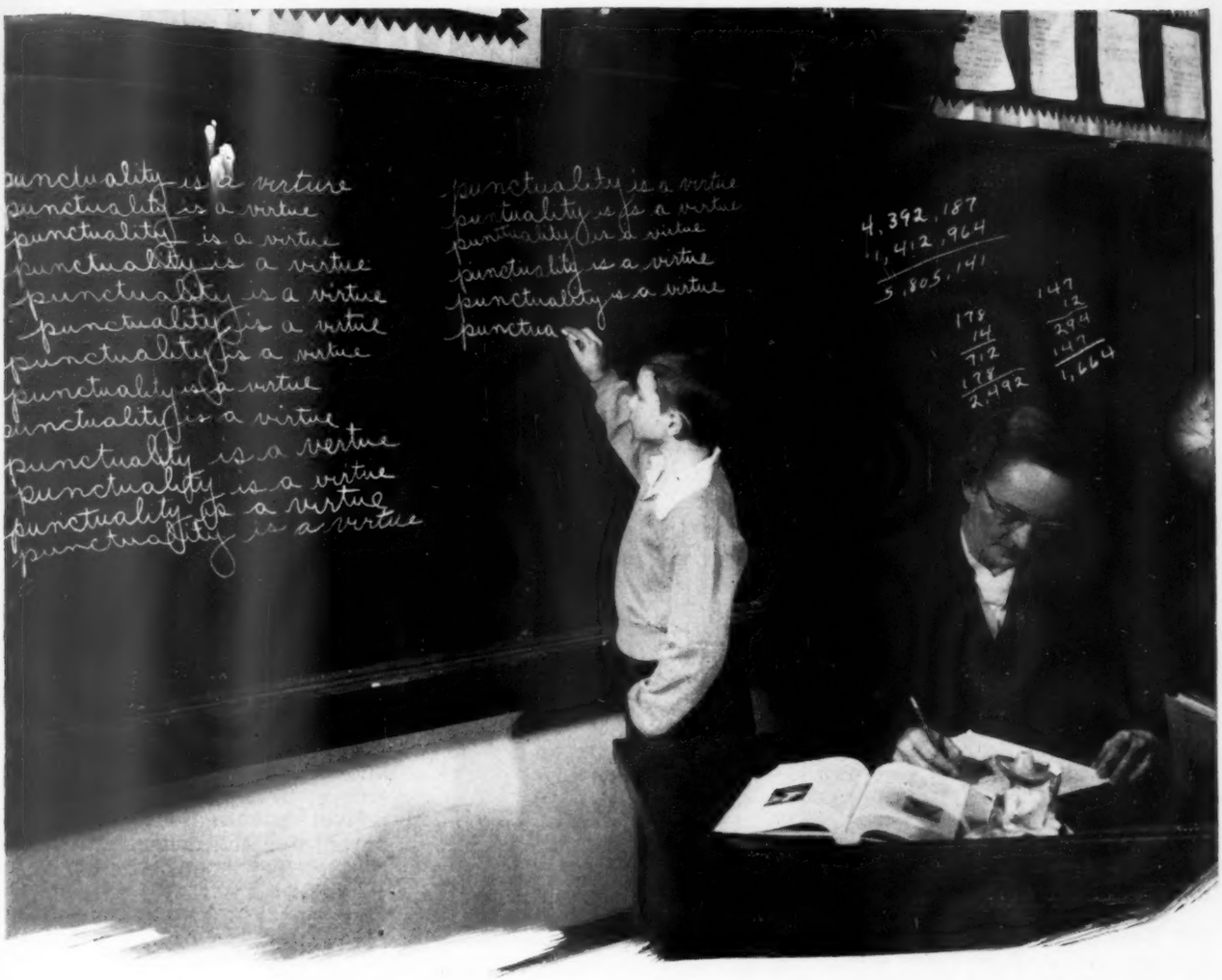
Individual business men are free to agree or disagree with these conclusions. But to anyone interested in understanding Wall Street, there is an observation more important than the conclusions reached by the study itself. The observation is simply this: 20 years ago no Wall Street firm would have issued such a study. Indeed, it is doubtful if any Wall Street firm of 20 years ago *could* have prepared such a study. In those days, no firm —not even the security affiliates of the big commercial banks—would have had the manpower capable of producing an analysis of this scope.

★ ★ ★ ★ ★

Near Apoplexy

THE FIGHT over "permissive incorporation" has finally brought Wall Street blood pressure to the danger point. It's doubtful if any issue in the past 30 years has so evenly split into warring camps the good firms throughout the nation. Briefly stated, here's what the fight is all about:

At present, only partnership firms can hold membership in the Exchange. This rule goes back to the founding of the Exchange itself. Traditionally, the Street has looked upon the partnership, which



Ever write the same sentence 100 times?

LITTLE JOHNNY found it tiresome and tedious to write the same thing over and over. Found it easy to make errors, too.

How many people in your business have to write the same information over and over? Chances are that in every department you have people writing the same names, descriptions, part numbers, etc., over and over by hand and by typewriter. It's punishment for them, too. It's frequently inaccurate. It's always costly.

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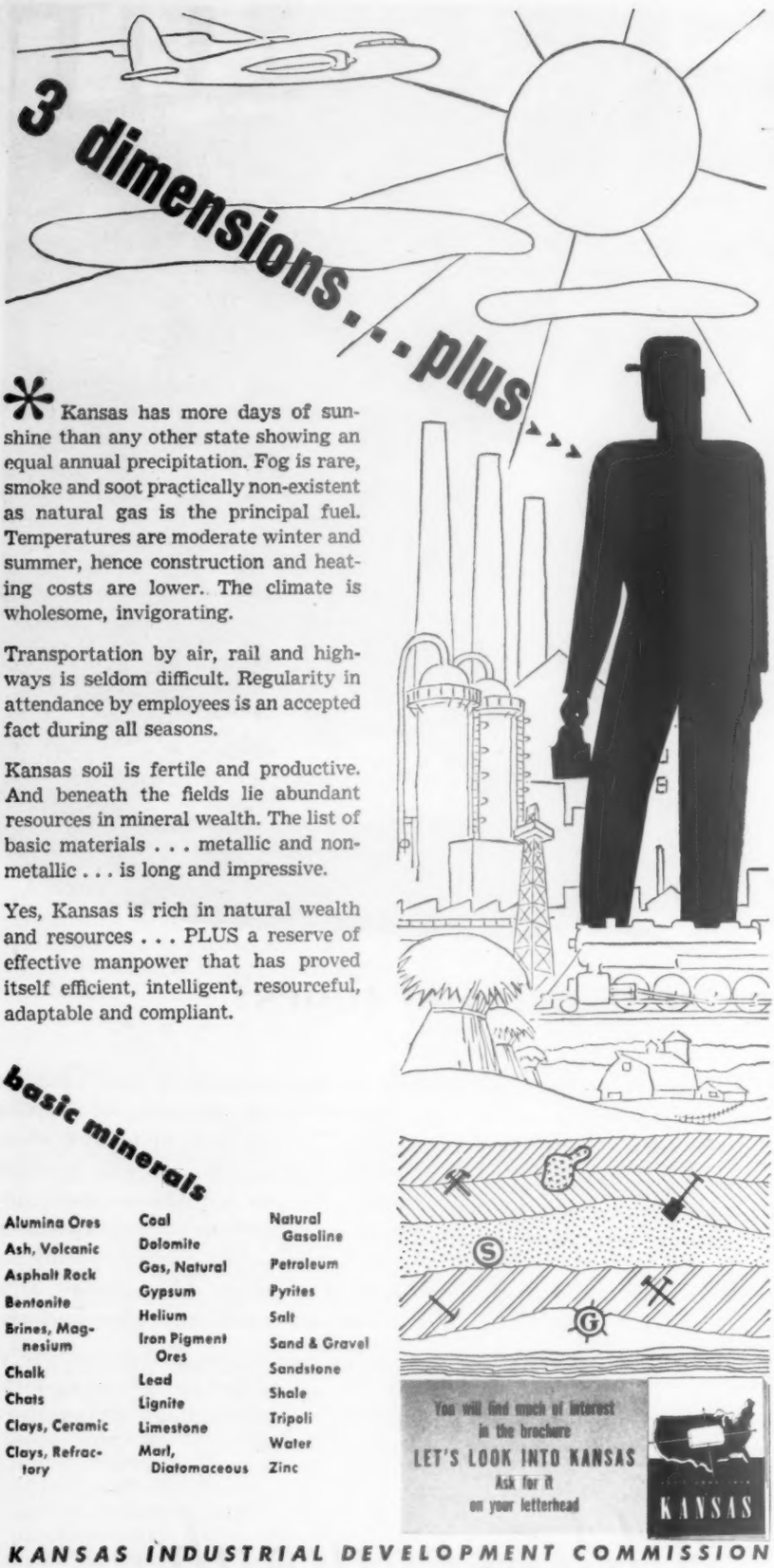
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* Kansas has more days of sunshine than any other state showing an equal annual precipitation. Fog is rare, smoke and soot practically non-existent as natural gas is the principal fuel. Temperatures are moderate winter and summer, hence construction and heating costs are lower. The climate is wholesome, invigorating.

Transportation by air, rail and highways is seldom difficult. Regularity in attendance by employees is an accepted fact during all seasons.

Kansas soil is fertile and productive. And beneath the fields lie abundant resources in mineral wealth. The list of basic materials . . . metallic and nonmetallic . . . is long and impressive.

Yes, Kansas is rich in natural wealth and resources . . . PLUS a reserve of effective manpower that has proved itself efficient, intelligent, resourceful, adaptable and compliant.

basic minerals

Alumina Ores	Coal	Natural Gasoline
Ash, Volcanic	Dolomite	Petroleum
Asphalt Rock	Gas, Natural	Pyrites
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makes each partner individually responsible for the debts of the entire firm, as the form most likely to guarantee vigilant, conservative business practice, and as the form most susceptible to control by the Exchange itself.

Those opposed to the *status quo* would allow firms to hold membership in the Exchange even though they were corporations, not partnerships. In favor of the change, and organized into an active committee, they advance many an argument for the break with tradition. Example: Good securities men were left stranded in every big city when the New Deal outlawed security affiliates of banks. These men formed new firms, organized in corporate form because they could thus attract capital more easily. Many of these firms have become among the best in the business. They would be an asset to the Exchange. But the switch from the corporate to the partnership form is difficult, in some cases costly. Therefore, change the rule, allow some of these firms to buy membership under proper regulation.

How will the battle end? No one knows now. A new Board of Governors will take office in May. Some predict that the issue will be submitted to a full membership vote, then settled for all time.

★ ★ ★ ★ ★

Face Lifting

THE FAMED old building of 25 Broad Street has had its face lifted. And high time, too. Time was when 25 Broad Street housed some of the financial district's most famed operators, most famed firms. But, after the crash, it lost tenant after tenant, soon appeared to be in desperate need of ghosts to haunt it. Then City Investing took over. The front was cleaned, brightened, refurbished. Now cheerful ivy in long boxes marches with landscaped precision across its lower face, giving the entire building a look of brisk prosperity. Inside, the floors are fully occupied with busy firms, and that section of Broad Street has a happier, more prosperous atmosphere.

★ ★ ★ ★ ★

Lively Ghost

A GHOST walked along Wall Street the other day. Writing in the *Investment Dealers Digest*, lively trade paper, Joseph Stagg Lawrence raised the spectral body when he predicted the return of the gold standard. Well aware that this forecast would lift eyebrows,

Lawrence, a former Stock Exchange research man, now a vice president of Empire Trust, reminded the skeptical to read financial history. The gold standard, he recalled, has a way of coming back. It appeared after the Continentals of 1781, the greenbacks of the post-Civil War days. Its return, says Lawrence, is "not too much to anticipate."

★ ★ ★ ★ ★

The Buyers Come To Town

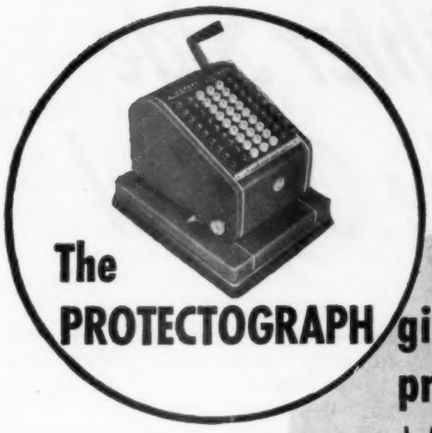
THE buyers who come to New York from out-of-town department stores are honored. Each day their names are printed in a column that has become as important to the New York *Times* as its editorial page. Wall Street has its out-of-town buyers too, even though they don't rate agate lines in the press. They are the brokers and dealers from your city, and yours, and yours. And whether they are from Texas, or Portland, Me., or Portland, Ore., their big city behavior is identical.

Usually they drop in first to see sombre, sardonic John Straley, vice president of Hugh W. Long & Co., and editor of the Street's best read publication, the yearly "*Bawl Street Journal.*" Their first question: "What do you fellows think?"

After they have thrashed out bothersome market problems, and exhausted the firm's research men of all their current views, they get down to business. The routine is almost rigidly established. First, they want to see the Aquarium. Then they want to go to Chinatown. Not just any place there. They usually come prepared with an address obtained from some fellow-townsmen, and insist on going to that particular restaurant in that particular basement.

Finally, they want to see an electric quotation board. This last request is diminishing now that electric quotation boards (the kind that go "buzz-bizz") are being installed throughout the country.

Not long ago the secretary of one important out-of-town firm came for her annual visit under instructions from her boss. She had been ordered to see New York harbor at sunrise. So one of our vice presidents, who lives far up in Westchester, had to get up before dawn, come to New York on the milk train, meet the young woman down at the Battery, ride to Staten Island and back on the ferry, and identify all the buildings rising through the morning mist. The rest of the day he spent trying to keep awake.



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On the Lighter Side of the Capital

Attention, Comrade Molotov

"I SAW George mad once," said the Colonel. "It was a kind of frightening experience. Marshall is a big man, you know, and solid as a chunk and his head is round—though what that has to do with it I do not know—and his eyes are unbearably steady."

One of the generals then commanded by the present Secretary of State had been paltering and tergiversating and dodging and Marshall had finally lost his temper.

"You ever see an iceberg on fire? Anyhow, that was it. Jeepers"—said the Colonel—"I wouldn't be as afraid of the whole Russian Army as of George Marshall when he is mad."

Marshall's temper is under control. It never flashes. His anger builds up slowly but, when it lets go, it is as if the other man had been indicted, convicted, executed and then buried.

Anyhow, that's what the Colonel said.

The all-sucker game

ONE man in this country probably knows the Russians more thoroughly than does the whole State Department.



He is an American, has traveled widely, and for years has been closely associated with Russians both in and out of the government service.

"Molotov," he said, "will bite right into a live wire when he begins to disturb Marshall."

The speaker said he likes every Russian he knows. That goes for the officials.

The difference is that the private citizen likes his liquor and his food and his fun, but that the official is controlled by the governmental formula. His job is to get all he can for Russia, no matter how he gets it.

If he fails he is a dope, a dupe, and only fit for sausage. He cannot understand American generosity to Russia because he simply isn't bred that way.

To his mind we are a nation of soft chumps.

Marshall, Molotov, and Mr. S.

MARSHALL'S uncompromising honesty and forthrightness may, he thinks, cause Comrades Stalin and Molotov to tie themselves in bowknots.

"Stalin has been the front guy. After Molotov has twisted his fingers in our back hair long enough to fret us, Stalin has been coming along with some pretty words. It has happened time after time. We lie back and say that the Russians are all right, after all, and it is our fault that we do not understand them, and then Comrade Molotov soaks us again."

He thinks that maybe Byrnes quit because of this. President Truman may have wanted Byrnes to be stiffer toward Russia than he felt was wise. He thinks—20 years' knowledge of Russians is talking—that if either one of the Russian comrades makes a mistake in their cloud-dance around Marshall the mistaken one will go to the showers.

Molotov, he says, is gaining strength, but Stalin may still be the anchor man in the Politburo. And he may not be. There is tremendous confusion behind the iron curtain, but if either man can gyp Marshall he will be top dog.

Nine middle-aged men

NOT so many years ago the men of the U. S. Supreme Court had the standing of minor deities in Washington. One expected to see brass plaques on the street corners:

"Chief Justice Hughes walked this way."

Gossip about the men of the Court was rated not as a sin—that would be going too far—but as evidence that the gossiper's moral standards were low. No wise mother would let him sit on the back porch with her daughter. The nine judges often disagreed, but they were always dignified and tolerant and learned in the law. All things considered—the youth and vigor of the country, its tendency to bust out of its britches now and then, the relation it bore to other countries, the authority of the Court—the Nine Men unquestionably constituted the foremost legal tribunal of the world.

Mamma might 'pank

NOWADAYS Washington talks as freely about the Nine Men as about Who Loves Who, or Why the General Got the Job.



That fine old-time reverence — which might have been a mistake, mind you; after all, the men were human—has melted like the ice cream served at a cocktail party. If the nine are not in politics up to their necks they are at least suspected of it.

"Turn a Presidential nomination loose anywhere near First Street N.E., and nine judges would bust out of the handsome white marble Supreme Court building like young bird dogs after a rabbit."

Admitting that some laws have been daffy and others have been defective, and no one denies it, the Court hasn't even bothered lately to say:

"This is what Congress evidently meant."

It has just handed down a new law without bothering its coordinate branch and made it stick, because no one can overrule the Supreme Court.

This has terribly annoyed those legislators who have had time to think about it.

If any one can find out what can be done the majority is on tap. So it is said.

Morgenthau's spilled beans

HENRY MORGENTHAU shot an arrow into the air, all right, when he arranged for the publication of his 900 volume diary—flash! 900 is right—covering his association with the Roosevelt period. It is being edited by a competent man, but reports are that, if the juicier bits are left out, it will be the dullest publication on record and, if the juicier bits are left in, Mr. Morgenthau had best have the lawn of his spacious suburban New York residence paved.

"Because there will be mob scenes on it. The constant friends

of Mr. Roosevelt will be coming with ropes."

Mr. Morgenthau, poor lad, just didn't know what he had written. Or maybe he had not reread the 900 volumes before he turned them over to Editor Allan T. Nevins. A bad memory is deplorable.

Crimping future memoirs

IF THE decision should be that the 900 volumes are Morgenthau's own private, personal, peekaboo property then it is likely that Congress will make a law forbidding future office holders the use of government time and property for the preparation of such personal assets.



"A member of Mr. Roosevelt's Cabinet charged magazines a flat rate of $1,000 for his pieces," said one of the government-paid writers who had something to do with the writing. "Mind you, I think they were worth the money. I also think the Cabinet man might have cut the check part way with the government-paid men who worked on his pieces. But he never did."

So this promises to be another of the stomachic complaints—née ulcers—which will be treated during the next two congressional years.

It might force a premature flood of other memoirs except that publishers are not exactly yearning for them.

From the horse's mouth

REPORT is that President Truman is perfectly happy now. It might be more accurate to say that he is at ease. He is resigned to the fact that he may be a one-termer but he does not accept it as proven, even if Jim Farley did take a poor view of his chances.

He feels that he is at last on top of his job, and that is a good feeling for any workman.

"I will make mistakes," he said cheerfully, "for I have been making them all my life. But they will be my mistakes."

He is rid of the for-godsakers who buzzed in his ears up to last year's election. He thinks he can get along as well with Congress as any President has a right to do. He has set up a team that is at least loyal to him. If he has to fire a man he is not afraid that the fired man will yell that he has been fed a dog-button. He believes that when the chips are racked at the end of the game he will be as pleasantly remembered as any other President.

In his present mood he might be called a philosopher.

Funnier than you think

THE REPUBLICANS in Congress, said the Senator, are beginning to wear hurt looks. They came back to power, he said, like a passel of prodigal sons. They expected every one to greet them with veal chops after years of riding the rods.

"That just isn't the way it's done in politics."

There will be cooperation on a good many things but any time the Democrats see a chance they'll sharpen up their knives. Which, he said, is as it should be. If he were Taft or Dewey, he said, he wouldn't take a drink of milk without first trying it on the cat. Vandenberg is in the picture, too, and Lord knows how many others will be before the spring plowing in 1948. They will be shot at from a lot of unfair angles. He recalls that for years practically every mention of Senator Barkley referred to him as "bumbling." He didn't bumble, after all, the Senator said. But the boys certainly painted him up.

Three shells and a pea

WHEN the previous Congress was at work on the appropriation bills a New Dealer who was also charged with having a bad attack of communism was turned up.



"So we will get rid of that character," said the House committee men.

They fixed it so that he could not draw pay from any one of the 30 special bureaus they were then at work on. They have now discovered that he was merely transferred to another payroll at a better salary and has been happy ever after.

It was a slick trick, only maybe it was not very smart. Congress can get hotter when the bureaucratic hand deceives the legislative eye than over any other one thing. The Government is so almighty big and sprawled out and has so many chinks and crannies in which things can be hidden and Congress is so busy that shell games are almost the favorite bureaucratic sport, but there is a possibility that something will be done about it. Only no one as yet knows what. General Marshall is making a beginning in the State Department and will tell all to Congress. That may help.

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